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Supreme Court, U.S.
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No. _____

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1987

THE MIHALEK CORPORATION AND
LAWRENCE PATRICK MIHALEK,
Petitioners

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, Director, ROSS ROY, INC.,
Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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QUESTIONS PRESENTED

1. Are a State of the United States, its political subdivisions, their employees, officers and officials, when sued for money damages and injunctive relief for copyright infringement in violation of the Copyright Act of 1976, entitled to immunity under the Eleventh Amendment to the United States Constitution?

2. Are intellectual property rights considered a property under the Fifth Amendment taking clause of the United States Constitution?

3. What are the standards of the tests for copyright infringement, the taking of intellectual property under the Fifth Amendment and false designation of origin, section 43(a) of the Lanham Act (15 U.S.C. 1125(a)), involving a State of the United States, its political subdivisions, and their employees, officers and officials?

PARTIES TO THE PROCEEDING

THE MIHALEK CORPORATION and
LAWRENCE PATRICK MIHALEK,

Petitioners,

v.

THE STATE OF MICHIGAN, GOVERNER JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR, ROSS ROY, INC.

Respondents.

RULE 28.1 STATEMENT

Petitioners the Mihalek Corporation and Lawrence Patrick Mihalek, have no parent companies, subsidiaries or affiliates.

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Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Petitioners The Mihalek Corporation and Lawrence Patrick Mihalek, respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Sixth Circuit.

OPINIONS BELOW

The Court of Appeals' Order of Affirmance is reported at 814 F2d 290, attachment A. The three page Petition For Rehearing in which the court below neglected to reach two undecided issues is marked attachment B. The order denying the Petition for Rehearing, dated June 8, 1987, is marked attachment C. The orders of the District Court are reported at 595 F. Supp. 903, attachment D, and 630 F. Supp. 9, attachment E. The orders of the District Court that are not reported are marked attachments F, G and H. This writ involves four consolidated appeals.

JURISDICTION

The judgment of the Court of Appeals was entered on March 18, 1987; see attachment B. The date of the order respecting a rehearing is June 8, 1987; see attachment C. On September 4, 1987, Petitioners

(hereinafter called "Mihalek") filed an application for an extension of time within which to petition for a writ of certiorari until October 5, 1987. The extraordinary circumstances stated in the application are:

1) Mihalek is unable to pay for or raise the funds necessary to support this appeal, including filing fees and printing costs. Therefore, Mihalek will have to proceed In Forma Pauperis.

2) Undersigned counsel suffered a heart attack in 1985 and developed multiple sclerosis in 1986 and therefore only has a very limited amount of time to help indigent clients. Throughout the progression of this case, the client has prepared the rough drafts of the necessary documents after discussion of the legal points with counsel. Counsel has then edited to final form. Until this week, counsel believed the petition would be timely filed and every attempt will be made to timely file. . .

The application for an extension of time was presented in the event the deadline of September 8, 1987 could not be met.

The jurisdiction of this Honorable Court is invoked under 28 U.S.C. Section 1254(1).

CONSTITUTIONAL PROVISION AND STATUTE INVOLVED

The Fifth Amendment to the United States Constitution provides in part: "nor shall private property be taken for public use, without just compensation."

The Eleventh Amendment to the United States Constitution provides:

> The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

Article I, Section 8, Clause 8 to the United States Constitution provides:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;. . ..Federal Copyright Act, Title 17 U.S.C.

Federal Trademark Act, Title 15 U.S.C. Section 1125(a) provides in relevant part as follows:

> Any person who shall. . . use in connection with any goods or services, or any container or containers for goods, . . . any false description or representation, including words or other symbols tending falsely to describe or represent the same . . . shall be liable to a civil action by . . . any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

28 U.S.C. Section 1338(a) provides:

> The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

STATEMENT

The federal jurisdiction in the court of first instance was founded upon Title 28 USC Sections 1331 and 1338. The action arises under the Fifth Amendment to the United States Constitution; Title 15 of the United States Code (The Lanham Act trademarks) and Title 17 of the United States Code (The Copyright Act). Ancillary claims arise under trade secret, unfair competition, and misappropriation of work product. The matter in controversy exceeds the sum of Ten Thousand Dollars exclusive of interest and costs. Respondents have affected interstate commerce.

This case presents several important legal issues warranting the Court's review involving the economic value and enforcement of United States Copyright (17 U.S.C.) and intellectual property rights involving individual State governments and their officials.

Mihalek is a competent, credible and professional small businessperson (see Sixth Circuit Appendix,

hereinafter called "Appendix", pages 940 through 960 and page 996, 1013, 1016, 1024 and 1030).

Mihalek created an advertising program starting in the fall of 1980 (see Appendix, pages 37 through 46 and pages 351 through 420).

Mihalek's advertising program property consisted of expressions, business ideas, slogans, promotional schemes, campaigns and the like. Mihalek's property was unpublished.

Mihalek presented his advertising program property in tangible form to Respondents in a confidential manner with written notice of property rights. (See affidavit of Mihalek, attached hereto marked attachment I.)

The advertising program created by Mihalek was prepared at the behest of the Governor of the State of Michigan and numerous members of his administration. (See paragraphs 7 and 8 of attachment I.)

Over a period of 14 months Mihalek prepared his advertising program. (See Appendix pages 357 through 360). Mihalek spent approximately 3,500 personal

man-hours, 122 trips to the State Capitol, hundreds of telephone calls through the State of Michigan gathering information and support, and personal out-of-pocket expenses of $74,231.00 in the development of his property. (See Appendix page 472.) During this period of time, unbeknownst to Mihalek, many of the same Respondents' officers and employees were meeting simultaneously with representatives of another firm, Porter Novelli & Associates, that was attempting to obtain a contract from the Respondents for the same purposes as Mihalek's Advertising Property (see Appendix page 324).

The executed contract with Porter Novelli & Associates had a performance period from July 13, 1981 through September 30, 1982, to create an advertising program similar in many respects to Mihalek's Advertising Property. The performance period was approximately fourteen months. The same state officials, e.g., Jack S. Wilson, who had access to Mihalek's Advertising Property dealt directly with Porter

Novelli & Associates. (See paragraphs 14 through 18 of Attachment I.) Porter Novelli & Associates created its advertising program in thirteen days after executing a contract with a performance period of fourteen months. (See Appendix pages 326 and 328.)

During an investigation conducted by the Earegood Private Detective Agency on behalf of Mihalek, two unauthorized photocopies of Mihalek's property, copyright registration number TXu-139-833, were supplied by the Respondents from the certified file of Respondents' officials who were responsible for the development of the Respondents' advertising campaign. These officials were the above Jack J. Wilson, Director of the Michigan Travel Bureau, and Norton L. Berman, Director of the Michigan Department of Commerce. This identical copying was neither authorized nor known by Mihalek (see Appendix page 280). The unauthorized copies were stamped **"THIS DOCUMENT PAID FOR WITH STATE FUNDS."** No payment was ever made to Mihalek. A detailed review of the circumstances involved in the taking and using of

Mihalek's property are explained on pages 316 through 328 of the Appendix.

Similarities between Mihalek's advertising property and Respondents' advertising program were established by exhibits presented to the Courts below (see Appendix page 757). Similarities between these two programs were also established by live testimony of a Respondents' official (see Appendix page 563). In addition, similarities between these programs were also established by nine affidavits presented to the Courts below (see Appendix pages 106-129).

In September of 1981, Mihalek became aware that the respondents had contracted with another firm and were using Mihalek's advertising property. Mihalek retained legal counsel who contacted State officials. Mihalek was advised to write a letter to the Governor of the State of Michigan, dated September 28, 1981. By letter, dated September 29, 1981, the Governor of the State of Michigan instructed Mihalek to continue, ". . .It is important, therefore, that you keep them fully

informed of your efforts. . ." (see attachment I). The very quick reply by the Governor indicates the importance of Mihalek's work to the Governor and the continuing need for his advertising program.

Mihalek was verbally promised a contract by high ranking State officials as soon as the Department of Commerce received monies from the Michigan legislature. State officials at high levels from the Governor's office, Lieutenant Governor's office and the Michigan Department of Commerce continued to have access to Mihalek's property and continued to visit Mihalek's office in his home. (See attachment I.)

In March of 1982, Norton L. Berman, Director of the Michigan Department of Commerce, called Mihalek, "some kind of kook". This is at the same time that Berman's staff was requesting additional proposals from Mihalek. Mihalek continued to work with the Governor's office and was unaware of Berman's statement.

In April of 1982, when the Michigan Department of Commerce received the appropriation for their

advertising program, Mihalek did not receive a contract as promised.

Mihalek then, in June of 1982, petitioned the Michigan Legislature to investigate the actions of the Executive branch of Michigan State Government. The response from the Michigan House of Representatives was in part:

> . . While the "Say Yes" campaign does contain some elements similar to those suggested in your materials, those seem to me to be ones any competent professional in the field would consider. . . and your best course of action for the personal remedies you seek is private legal action. . . (Appendix page 1066).

Mihalek then petitioned the Governor of the State of Michigan to investigate and redress his grievances (Appendix page 1069). The Governor's response was silence.

On August 12, 1982, Mihalek filed a suit in the Circuit Court for the County of Ingham, State of Michigan, against the Governor of the State of Michigan for failing to uphold Mihalek's constitutional rights. File Number 82-30168-AW. The Circuit Judge granted an

order to show cause why the Governor failed to honor his sworn Constitutional Obligations, as described in the Complaint. (Appendix pages 1075-1081.) The Ingham County Circuit Judge ruled he could not order the Governor to start an investigation because it would violate the separation of powers between the state judicial and executive branches of government.

On October 21, 1982, Mihalek filed notices of intention to file claims against the State of Michigan and State Officials for breach of contract, civil conspiracy, misappropriation of work product and breach of confidentiality in confidential fiduciary relationships. These notices were filed in accordance with state statutory requirements.

On October 27, 1982, Mihalek filed a defamation of character suit against the State of Michigan and Norton L. Berman for calling Mihalek, "some kind of kook", which was stated wrongfully and with malice. File number 82-8479. Thereafter, the suit was dismissed based on State immunity.

The State of Michigan entered into settlement negotiation with Mihalek in November of 1982. In March of 1983, after the January inauguration of a new Governor, the State of Michigan suddenly and unexpectedly reversed from settlement negotiation to a refusal to negotiate. Mihalek was then forced to seek financial relief from the Michigan Department of Social Services.

In March of 1983, undersigned copyright counsel was retained to protect Mihalek's property rights. An investigation of state files (approximately 25,000 documents) was conducted from June 1983 through April 1984, by The Heikkenen Law Firm, P.C. and The Earegood Private Detective Agency, on behalf of Mihalek. The documents from the State's files support Mihalek's claims.

On January 19, 1984, the Governor of the State of Michigan was notified by letter that respondents had infringed Mihalek's advertising property. On January 27, 1984, Assistant Attorney General Philip J. Smith

requested further information. Attorney Smith was advised to contact Assistant Attorney General Robert Ianni, who had previously negotiated with Mihalek in an attempt to resolve the issues prior to the January inauguration of Governor James J. Blanchard.

Having received no further reply, Mihalek then notified numerous State officials, officers and vendors that they were infringing Mihalek's property rights. Having notified all known infringers or potential infringers, Mihalek wrote Governor James J. Blanchard of the action taken, and requested negotiations with a view towards settling the issues and avoiding litigation on April 3, 1984.

The only response by the respondents to the April 3, 1984 letter was a suit sounding in copyright, filed April 12, 1984 in the Livingston County Circuit Court of the State of Michigan, File Number 84-7310-CK, to obtain a temporary restraining order, a permanent injunction, and a retraction letter against further notices being sent by Mihalek, and requesting a declaratory judgment that

respondents have not violated Mihalek's copyrights (Appendix pages 1483-1538). This Court, of course, had no jurisdiction whatsoever (see 28 U.S.C. §1338a).

On April 23, 1984, Mihalek filed in the United States District Court, Eastern District of Michigan, Southern Division, File Number 84-CV-7202-AA, a verified complaint (Appendix pages 24-46). A petition for removal of suit, File Number 84-CV7203-AA was filed concurrently with Mihalek's complaint (Appendix pages 1555-1563). The Petition for removal was granted by the District Court.

In May of 1984, respondents moved for dismissal of Mihalek's complaint, based on the 11th Amendment to the United States Constitution (see documents involving appeals number 84-1851 and 84-1854).

On October 12, 1984, the District Court in view of the Eleventh Amendment dismissed the State of Michigan and the Michigan Department of Commerce completely and reduced the claims to petitions for injunctive relief against individual State officers only.

On October 25, 1984, the District Court entered an order for judgment on multiple claims and involving mutliple parties under Rule 54(b) Rules of Civil Procedure and an order amending memorandum and order of the court, dated October 12, 1984, to include the statement prescribed by 28 U.S.C. section 1292(b) involving the 11th Amendment (Appendix pages 1666-1672). Mihalek appealed to the Sixth Circuit Court of Appeals solely on the basis of the 11th Amendment (see appeal file numbers 84-1851 and 84-1854). The case proceeded for injunctive relief only against State officials.

On November 15, 1984, Mihalek filed a verified amended complaint (Appendix pages 47-70). The Respondents moved on January 14, 1985 to dismiss Mihalek's amended complaint (Appendix pages 1197-1214). Mihalek responded (Appendix pages 1215-1235).

On February 11, 1985, Respondents moved for summary judgment on Mihalek's copyright claims for injunctive relief only (Appendix pages 172-186). Mihalek

responded (Appendix pages 271-533). It is interesting to note that the District Court would not schedule Mihalek's motion for injunctive relief as described on pages 271-533.

On February 21, 1985, an informal hearing was held in the District Court on the record (Appendix pages 187-268). The District Court Judge stated in part:

> **. . .I have your proof of what you say . . . You tell me — the showing that you have made to me this afternoon are certain people have done substantial things. . . (Appendix page 257)**

In addition, the District Court suggested that the Respondents settle with Mihalek (Appendix page 255).

On February 22, 1985, the District Court enjoined Mihalek from serving Mihalek's amended complaint on the party defendants, except for Ross Roy, Inc. (Appendix pages 1265-1267).

On March 26, 1985, the District Court ordered Mihalek to match Respondents' exhibits (Appendix pages 269-270). There was no motion for or hearing on this

order by any party to the suit. Respondents' exhibits were subsequently selected to show dissimilarity.

On April 17, 1985, the District Court, by way of oral opinion, granted the Respondents' motion for summary judgment on Mihalek's copyright claims (Appendix pages 534-591). The order was entered on April 24, 1984 (Appendix page 592).

On May 6, 1985, Mihalek filed a timely motion for reconsideration and rehearing of the order granting Respondents' motion for summary judgment dismissing copyright claims (Appendix pages 593-611). On June 5, 1985, the District Court denied Mihalek's motion (Appendix pages 611-627). Mihalek appealed to the Sixth Circuit Court of Appeals. Appeal was granted (see Appeal file number 85-1593).

On April 30, 1985, Respondents moved for summary judgment on Mihalek's remaining claims (Appendix pages 630-646 and 701-709). Mihalek responded (Appendix pages 647-692). In addition, Ross Roy, Inc. moved for summary judgment (Appendix pages 693-700).

On September 24, 1985, the District Court, by way of oral opinion, granted Respondents' motions for summary judgment (Appendix pages 710-749). Final order was entered on November 6, 1985 (Appendix pages 750-753). Mihalek appealed. Appeal was granted (see appeal documents 85-1986).

On March 18, 1987, the Sixth Circuit Court of Appeals affirmed the District Court's judgment reported at 814 F2d 290 (6th Cir. 1987).

On March 30, 1987, Mihalek filed a petition for rehearing involving two of the appeals (see 85-1593 and 85-1986) that the Court of Appeals neglected to reach (attachment B).

On June 8, 1987, the Court of Appeals denied Mihalek's petition for rehearing and remanded back to the District Court a question of fact involving copyright infringement and failed to reach the 11th Amendment.

Mihalek now files this Writ of Certiorari to this Honorable Court.

REASONS FOR GRANTING THE PETITION

This case presents several important legal issues warranting the Court's review involving the economic value and enforcement of United States Copyright (17 U.S.C.) involving individual State governments and their officials.

For example, first:

The District Court dismissed the complaint as to the State of Michigan and the Michigan Department of Commerce on the grounds of the Eleventh Amendment (United States Constitution) immunity and held that state officials are not liable for money damages, (595 F. Supp. 903). The District Court's order was certified pursuant to 28 U.S.C. section 1292(b) and a judgment was entered pursuant to Rule 54(b), F.R.C.P. There is a conflict in the circuits on this issue. Compare Mills Music, Inc. v Arizona, 591 F2d 1278 (9th Cir. 1979), and Johnson v University of Virginia, 606 F. Supp. 321 (W.D. Va. 1985), with Wihtol v Crow, 309 F2d 777 (8th Cir. 1962), Cardinal

Industries v Raymond C. King and Michael H. Patterson, Supreme Court Docket No. 86-1941, Richard Anderson Photography v Radford University, 633 F. Supp. 1154 (W.D. Va. 1986), Woelffer v Happy States of America, Inc., 636 F. Supp. 499 (N.D. Ill. 1985), Mihalek Corp. v Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), and B.V. Engineering v University of California, Los Angeles, 657 F. Supp. 1246 (C.D. Cal. 1987). See generally Note, The Applicability of Eleventh Amendment Immunity Under The Copyright Acts of 1909 and 1976, 36 Am. Univ. L. Rev. 163 (1986), Copyright Infringement and The Eleventh Amendment: A Doctrine of Unfair Use?, Vanderbilt L. Rev. Vol. 40:225, page 226 (1987), Congressional Abrogation of State Sovereign Immunity, Columbia L. Rev., Volume 86, No. 7, page 1436, November 1986; The Eleventh Amendment: A License To Steal? Idea - The Journal of Law and Technology, to be published in 1987.

Virtually all creative properties protectable by copyright are affected and the issue spills over into the

patent arena as well. In the recent series of cases, architectural plans, photographs, computer programs and complete promotional campaigns have been taken by infringement. State governments and persons in their employ have been dismissed from the suits, the courts ruling that sovereign immunity under the XI Amendment to the United States Constitution prevents damage actions in Federal Court for copyright infringement. Since jurisdiction is exclusive in the Federal Courts, copyright owners have no other recourse for damages. In some suits, injunctive relief has also been denied.

To date, decisions adverse to copyright owners have recently been rendered in Michigan, Illinois, Virginia, Florida and California. Immunity extends to state universities, schools, libraries and local governments - in short, any instrumentalities created and empowered under state constitutions. Protected by the sovereign immunity defense, such organizations can take any copyright protected works with impunity. Without fear of damages, the only threat is possible injunctive relief,

which in many takings is too late to prevent the damage caused by the taking.

The following Amici Curiae filed briefs in the Sixth Circuit in support of Mihalek's position (see appeal number 84-1851/1854):

Association of American Publishers

American Intellectual Property Law Association

American Medical Publishers Association

American Society of Composers, Authors and Publishers

Authors League of America

Broadcast Music, Ltd.

Films, Incorporated

Music Publishers Association of the United States

National Music Publishers' Association

Swank Motion Pictures, Inc.

Volunteer Lawyers for the Arts

According to a report entitled, "The Copyright Industries in the United States; An Economic Report

Prepared For the American Copyright Council," by Michael R. Rubin, American Copyright Council, Inc., 1985, on page one:

> In 1982 final demand expenditures for products of the copyright industries came to $140.9 billion, or about 4.6 percent of Gross National Product. In addition, some $11.3 billion was spent on semiconductors in the United States in 1982. . . It is interesting to note that most of the copyright industries grew at a faster rate than the 16.6 percent increase recorded over that time by the economy as a whole. . ."

Concomitant with the first example are:

Second:

Are intellectual property rights considered a property under the Fifth Amendment taking clause?

And, third:

What are the standards of the tests of copyright infringement, the taking of intellectual property under the Fifth Amendment and false designation of origin, section 43(a) of 15 U.S.C. 1125(a)?

Given the recent apparent errors by most of the courts below resulting in confusion and split between the Federal circuits and the importance of the economic

value and enforceability of intellectual property rights, further review by this Court is therefore warranted to assure that the exclusive rights granted by the United States Constitution (Art. I, Sec. 8, Cl. 8) and the Copyright Act as well as the rights granted under the Fifth Amendment and the Lanham Act are not effectively destroyed by the above recent spate of lower court decisions.

THE COURT OF APPEALS ERRED IN NOT REACHING THE ELEVENTH AMENDMENT

The Court of Appeals erred in not reaching the Eleventh Amendment issue for two reasons:

First, the District Court dismissed all of the claims against the State of Michigan and the Michigan Department of Commerce not on the merits, but solely on the ground that the District Court lacked jurisdiction under the Eleventh Amendment. For that reason, the Court of Appeals did not have jurisdiction to adjudicate Mihalek's claims against the State of Michigan and

Michigan Department of Commerce on any other ground, notwithstanding the consolidation of all the appeals.

The Order appealed from, entered on October 25, 1984, directed that final judgment be separately entered on all claims against the State of Michigan and Michigan Department of Commerce, pursuant to Rule 54(b) which stated:

> **Judgment on Multiple Claims and Involving Multiple Parties under Rule 54(b) Rules of Civil Procedure**
>
> This court having entered a memorandum opinion and order dated October 12, 1984 in this matter, which order contained the following findings, determinations and directions:
>
> > This court holds that all defendants in this action are entitled to immunity under the eleventh amendment from plaintiff's prayer for money damages under each of his four theories of liability. Further, the recent decision of Pennhurst State School v Halderman, 104 S.Ct. 900 (1984), makes clear that the eleventh amendment also prohibits federal courts from awarding injunctive relief against state officials for claims predicated upon state law. Insofar as plaintiff's claim for disclosure of trade secrets, unfair

> competition, and misappropriation of word product is grounded upon state statutory or common law, that claim can not support an action for injunctive relief against these defendants under the reasoning of Pennhurst. To the extent that plaintiff is seeking injunctive relief against future violations of his federally protected rights by the individual defendants, the eleventh amendment offers no protection to the individual defendants, Ex Parte Young, supra. The State itself, and the Department of Treasury, are immune from suit altogether, however, Hans v. Louisiana, 134 U.S. 1 (1890), Employees v. Department of Public Health and Welfare, 411 U.S. 279 (1973).

> Now, therefore, express direction is given as to the entry of judgment and it is adjudged that the final judgment should be and is hereby entered against the plaintiffs and in favor of the defendants as to the separate claims and parties pursuant to the findings, determinations and directions quoted above, there being no just reason for delay.

The subsequent filing of the appeal numbers 84-1851/84-1854 transferred to the Court of Appeals exclusive jurisdiction over those claims, and left pending before the District Court only Mihalek's claims for

injunctive relief against the individual Respondents and not the State of Michigan and the Michigan Department of Commerce. The District Court's orders granting summary judgment for the Respondents on the merits only disposed of injunctive claims against individual defendants.

The Eleventh Amendment was not merely an alternate ground for dismissal of the claims against the State of Michigan and the Michigan Department of Commerce. Rather, since the District Court never adjudicated the claims against the State of Michigan and the Michigan Department of Commerce, but held that it lacked jurisdiction to do so, the Court of Appeals may not adjudicate the merits either, unless it first reverses the holding of Eleventh Amendment issue, which was the only issue properly before the Court of Appeals on that instant appeal (84-1851/84-1854). Therefore, the Court of Appeals erred in not reaching the Eleventh Amendment involving the State of Michigan and the Michigan Department of Commerce.

Second, the Court of Appeals erred as a matter of law in not reaching the Eleventh Amendment. The Court of Appeals determined there are material issues of fact in this case, as exhibited by the remand of the question of fact involving the direct photocopying by the respondents of two advertising program plan documents owned by Mihalek in violation of Mihalek's explicit written instructions and copyright notices on the program plan documents. By definition the copies of copyright registration number TXu-139-833 are not only substantially similar, they are identical. The Eleventh Amendment issue must first be reached to determine liability in the respondents, as a matter of law before determination of infringement.

THE DISTRICT COURT ERRED IN HOLDING THAT STATES AND THEIR POLITICAL SUB-DIVISION THEREOF ARE IMMUNE FROM SUIT FOR COPYRIGHT INFRINGEMENT BY THE ELEVENTH AMENDMENT TO THE UNITED STATES CONSTITUTION

Historically, this issue was addressed by the Sixth Circuit Court of Appeals in Howell v. Miller et al., 91 F. 129 (1898) wherein the Court stated on page 136:

> . . ."A state cannot authorize its agents to violate a citizen's right of property, and then invoke the constitution of the United States to protect those agents against suit instituted by the owner for the protection of his rights against injury by such agents". . .

and on page 137:

> . . ."It would be extraordinary if a court of equity could not stay the hands of the defendants, if what they are about to do will be in violation of the plaintiff's rights as secured by the laws of the United States". . .

More recently Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962) held without discussion that the Eleventh Amendment barred an action against a local school district, as an instrumentality of the state, for copyright infringement.

The definitive cases for analysis of the issue, however, appear to be Mills Music, Inc. v. State of Arizona, 591 F.2d 1278 (1979) and Goldstein v. California, 412 U.S. 546, 93 S. Ct. 2303, 38 L. Ed. 2d 163 (1973). The Eleventh Amendment states as follows:

> "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State."

The Mills Court goes on to analyze the language of the act commenting as follows:

> "The language of the statute is sweeping and without apparent limitation, suggesting that Congress intended to include states within the class of defendants... Even the United States is liable for the infringement of a copyright, 28 USC §1498(b); to hold that Congress did not intend to include states within the class of defendants would lead to an anomalous construction of the statute at best... Here, Congress has acted pursuant to the Copyright and Patent Clause to regulate the commercial disposition of a certain property right... The Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty... We conclude that the sweeping language used by Congress, acting pursuant to the Copyright and Patent Clause, is sufficient indication of the intent to include states within the class of defendants." 591 F.2d at 1285.

The Mills Court goes on in support of its conclusion:

> "...it is clear that the abrogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act."

and goes on to quote the Copyright and Patent Clause of the United States Constitution, Art. I, §8, cl. 8, as specifically empowering Congress to secure to Authors

and Inventors their exclusive rights to their Writings and Discoveries.

To follow the opposing sovereign immunity argument to its logical conclusion would be to grant that states have a royalty free license to copy without limitation any authors' works and to make, use or sell any invention freely without restriction of any kind unless the state in its wisdom consents to suit. Such an outcome completely contradicts the obvious intent of the framers, of both the United States Constitution and the Michigan State Constitution wherein the Fifth Amendment of the former:

> "No person shall. . .be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

and Article 1, §17 of the latter:

> "No person shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty or property, without due process of law.. . ."

specifically provide for due process of law and just compensation in the taking of private property for public purposes.

The Mills Court stated:

> ". . .a state may not, consistent with the Constitution, infringe the Federally protected rights of the copyright holder and thereafter avoid the federal system of statutory protections. The 'Exclusive Rights' of an author, guaranteed under the Constitution and Copyright Act, would surely be illusory were a state permitted to appropriate with impunity the rights of [the] lawful copyright holder." 591 F.2d at 1286.

The Mills Court concluded:

> "that the Eleventh Amendment's sovereign immunity does not permit a state to nullify the rights reserved and protected by Congress, acting pursuant to the Copyright and Patent Clause." 591 F.2d at 1286.

In Goldstein v. California, 412 U.S. 546, 93 S. Ct. 2303, 38 L. Ed. 2d 163 (1973), the issue was federal pre-emption of the copyright field. The Supreme Court noted:

> ". . .the States cannot exercise a sovereign power which, under the Constitution, they have relinquished to the Federal Government for its exclusive exercise." 412 U.S. at 552. (Emphasis added.)

Congress, in enacting 28 U.S.C. §1338(a) made jurisdiction in copyright and patent cases "exclusive of the courts of the states."

> "The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases." 28 U.S.C. §1338(a).

In joining the Union, the State of Michigan clearly ceded to Congress the power to regulate under the patent and copyright clause and necessarily granted to Congress the power to enact legislation restricting the State's power in the field of patent and copyright law. In keeping with the Constitutional mandate that authors and inventors have the exclusive right to their respective writings and discoveries, Congress has enacted legislation granting exclusive rights to be reserved and protected by the Federal Judiciary, e.g., 28 U.S.C. §1338, 17 U.S.C. §301.

The plain language of these Federal Statutes granting exclusivity under Federal Law and exclusive

jurisdiction to the Federal Courts makes clear Congress' intent to abrogate the State of Michigan's and all other state's Eleventh Amendment Immunity defenses to claims arising out of patent and copyright causes. In a case arising out of the Federal Extradition Act, the Court stated:

> "A state's Eleventh Amendment immunity,. . ., is not absolute but subject to abrogation by Congress in its exercise of powers delegated to it by the states in the Constitution." County of Monroe v. State of Florida, 678 F.2d 1124, 1131.

The Goldstein and Mills cases relied upon above concerned causes of action arising under the previous Copyright Act enacted in 1909; however, the arguments enunciated by Mihalek above and the quotations from the cases are not only applicable under the present Copyright Act, Public Law 94-553, October 19, 1976, but given further strength by 17 U.S.C. §301(a), the Federal Pre-emption Clause of the present Copyright Act. Congress, in enacting §301(a), clearly expressed its intent that all rights falling within the rights enumerated in the Act shall be exclusively governed by Federal Law:

> "On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State." 17 U.S.C. §301(a).

Suit for copyright infringement against a state is clearly within the exclusive jurisdiction of the United States Courts and is not barred by the Eleventh Amendment to the United States Constitution.

By clear and obvious analogy there is no way for a copyright owner to enforce his rights against a state but by means of action in Federal Court. Clearly such action includes both the injunctive and monetary relief specified by Congress in enacting the series of copyright and patent laws beginning with the first federal patent and copyright law, 1 Stat. 109 (1790) to today, see 35 U.S.C. §1 et seq. and 17 U.S.C. §101 et seq. These laws, like

other laws of the United States enacted pursuant to constitutional authority, are the supreme law of the land. See Sperry v. Florida, 373 U.S. 379 (1963). In Sperry the Supreme Court ruled that the Patent Office power to regulate the practice of patent agents before the Patent Office was exclusive to the Patent Office and that the State Bar Association of Florida and State of Florida had no power to prohibit a non-member patent agent from practicing before and representing clients before the Patent Office.

The intent of Congress that the Copyright Act 17 U.S.C. §101 et seq. be exclusively within the realm of Federal jurisdiction and apply to states as well as lesser governmental and public bodies is clear from a reading of many sections of the Act.

In Goldstein, supra, the Supreme Court stated with respect to the previous Copyright Act enacted in 1909:

> "When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach." 412 U.S. at 560, 93 S. Ct. at 2312. (Emphasis supplied.)

Not only did Congress make itself clear that State statutes were pre-empted under §301(a) of the present Copyright Act as noted above but in §108 Congress enacted a lengthy and complicated set of provisions governing the relationship of libraries and archives with respect to permissible and impermissible copying of protected works. Finally, in the last paragraph thereof, §108(i), Congress provided for reports at five-year intervals to Congress analyzing the operation of these complicated provisions and making recommendations for improvement, 17 U.S.C. 108(a)-(i). Such legislation would have been almost totally superfluous if public libraries were intended to be exempt from penalties for infringement of copyrighted works.

As a second example, §118 of the Copyright Act refers to the use of certain works in connection with noncommercial broadcasting. Section 118 defines in a lengthy complicated series of provisions the relationship between the use of certain types of copyrighted works for broadcasting by "public broadcasting entities" and in the

final paragraph §118(g) defined a public broadcasting entity as follows:

> "(g) As used in this section, the term 'public broadcasting entity' means a noncommercial educational broadcast station as defined in section 397 of title 47 and any nonprofit institution or organization engaged in the activities described in clause (2) of subsection (d)." 17 U.S.C. §118(g). (Emphasis supplied.)

These provisions too would be superfluous if all the many public television and public radio stations owned by publicly supported entities such as state universities were immune from penalties for copyright infringement. Clearly, Congress provided for payment of royalties for the broadcast of copyrighted works in accordance with rules established by the Copyright Royalty Tribunal (see e.g., 17 U.S.C. §118(b), (c) and (d)). Here again provision was made for a report to Congress on problems and recommendations for future legislation with respect to the section, 17 U.S.C. §118(e)(2).

Further examples of the clear intent of Congress not to exclude the states and their instrumentalities are provided by §601(b)(3) as follows:

> "(3) where importation is sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State;" 17 U.S.C. §601(b)(3). (Emphasis supplied.)

wherein an exemption is provided for importation by States or their political subdivisions of nondramatic literary material not manufactured in the United States or Canada. Note that Congress excepts schools from the exemption. Clearly only where Congress intends a State be exempt is an exemption provided. And in the following section covering the importation of infringing copies of other works:

> "(1) importation of copies or phonorecords under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use;" 17 U.S.C. §602(a)(1).

wherein the States and political subdivisions are excluded from penalties for importation of infringing works but the schools and audiovisual works are further excepted from the exclusion.

Clearly the exemptions and exceptions carefully carved out by Congress would not be necessary if Congress did not clearly intend the States and their political subdivisions be subject to the Copyright Act.

THE DISTRICT COURT ERRED IN HOLDING THAT INDIVIDUAL OFFICERS, OFFICIALS, EMPLOYEES AND AGENTS OF A STATE ARE IMMUNE FROM SUIT FOR DAMAGES FOR COPYRIGHT INFRINGEMENT BY REASON OF THE ELEVENTH AMENDMENT

Immunity in such individuals from suit for damages for copyright infringement can arise only from a protection in turn derived from the combination of immunity derived from the State and actions by the individuals not beyond their authority in their official capacities. Without State immunity under the Eleventh Amendment, the individuals, by violating the provisions of the Copyright Act 17 U.S.C. §101 et seq. and therefore violating Federal statutory provisions are acting beyond the scope of authority granted by their respective offices, see Capitol Industries-EMI, Inc. v Bennett, 681 F.2d 1107 (1982).

The Courts, however,have considered transactions wherein Eleventh Amendment immunity has protected the State instrumentality. In Louisiana State Board of Education v. Baker, 339 F.2d 911 (1964), the Court citing a 1911 Supreme Court decision stated on pages 913 and 914:

> "The Supreme Court clearly stated the controlling principle in Hopkins v. Clemson Agricultural College, 1911, 221 U.S. 636, 31 S. Ct. 654, 55 L. Ed. 890. Clemson, a State College, had built a dyke across the river from the plaintiff's land causing his land to be flooded. The plaintiff sued the college for taking his property without due process of law. The court held that the action was not one against the State. Mr. Justice Lamar, for a unanimous court, said:
>
> > 'But immunity from suit is a high attribute of sovereignty,—a prerogative of the state itself,—which cannot be availed of by public agents when sued for their own torts. The 11th Amendment was not intended to afford them freedom from liability in any case where, under color of their office, they have injured one of the state's citizens. To grant them such immunity would be to create a privileged class, free from liability for wrongs inflicted or injuries threatened. Public agents must be liable to the law, unless they are to

> be put above the law * * *. Commissions have been enjoined from enforcing confiscatory rates. * * * Commissions have been restrained from enforcing a statute which illegally burdened interstate commerce. * * * Other cases might be cited which deny public boards, agents, and officers immunity from suit [cited cases omitted]'. 221 U.S. 641, 644, 645, 31 S. Ct. 654, 656.

Thus, a state official cannot proceed, upon assumption of state power to injure the state's citizens under color of their office and then avoid responsibility by hiding behind a cloak of Eleventh Amendment immunity. The copying of Mihalek's works has been no less damaging to the property of Mihalek than the permanent flooding of real estate. Reiterating the statement above from Howell v. Miller, 91 F.129 (1898) at 136:

> . . ."A state cannot authorize its agents to violate a citizens right of property, and then invoke the Constitution of the United States to protect those agents against suit instituted by the owner for the protection of his rights against injury by such agents". . .

To cloak the agents of the State of Michigan with immunity is to put them above the copyright law of the United States and grant them a special privilege to copy with impunity and without fear of suit for damages. To proscribe suit for damages against individuals as agents of the State is to remove the overwhelmingly most important penalty for copyright infringement. Injunctive relief provides no compensation for past damages. It is truly easier to "open the dyke and reclaim the land" than it is to recall infringing works once published and distributed. To permit such individuals as agents to copy without fear of damages is to create a special class of individuals with the power to take private property without due process of law or just compensation at the sole discretion of such individuals as agents of the State and without any control over the taking. Mihalek does not believe that such was the intent of the framers of the Eleventh Amendment or Congress in enacting the present Copyright Act 17 U.S.C. §101 et seq. or the previous acts.

THE DISTRICT COURT ERRED IN HOLDING THAT VIOLATION OF TRADE SECRETS, UNFAIR COMPETITION AND MISAPPROPRIATION OF WORK PRODUCT IN SO FAR AS THEY ARE GROUNDED UPON STATE STATUTORY OR COMMON LAW ARE BARRED FROM SUIT IN FEDERAL COURT AGAINST THE STATE OR STATE OFFICERS BY THE ELEVENTH AMENDMENT DESPITE ANCILLARY CONNECTION TO A NON-BARRED CLAIM FOR INJUNCTION AGAINST THE SAME OFFICERS

The District Court relies upon Pennhurst v. Halderman, 104 S. Ct. 900 (1984) in ruling that the Eleventh Amendment prohibits federal courts from awarding injunctive relief against State officials for claims predicated upon state law. However, in Pennhurst the Supreme Court carefully distinguished between actions on the part of State officers within the scope of their delegated powers and actions beyond the scope of their delegated powers, see e.g., Footnote 11 in Pennhurst.

The instant case may be clearly distinguished from Pennhurst. Trade secrets, misappropriation of work product and unfair competition causes are private property rights or arise therefrom. International News

Service v. Associated Press, 148 U.S. 215, 240; 63 L. Ed. 211, 39 S. Ct. 68 (1918). Amchem Products, Inc. v Costle, 481 F. Supp. 195 (1979).

State officials are clearly without discretionary authority to take, confiscate or destroy property at will. Only with due process of law and just compensation in accordance with the Fifth and Fourteenth Amendments to the United States Constitution and Article 1, §17 of the Michigan State Constitution (supra) can private property be taken for public use. Authority delegated to the State officers, if any, is limited by these constitutional provisions.

In the instant case, the allegations are of a taking in violation of the above constitutional proscriptions and therefore upon a complete and total lack of delegated power in the States' officers. Any taking by State's officers is beyond the authority of the State to delegate. Thus, the instant case comes cleary within the ambit of Florida Dept. of State v. Treasure Salvors Inc., 458 U.S. 670 (1982) and Larson v. Domestic & Foreign

Commerce Corp., 337 U.S. 682 (1949), wherein the taking by State officials was beyond the authority delegated to the officials and not within their discretionary authority.

THE COURT OF APPEALS ERRED IN AFFIRMING THE SUMMARY JUDGMENT ON THE COPYRIGHT CLAIM

There is a material issue of fact, as matter of law, as already noted by the Court of Appeals, in the remand of the direct copying of copyright registration number TXu-139-833, in their Order, dated June 8, 1987, denying Mihalek's petition for rehearing. The photocopying by the Respondents in violation of Mihalek's explicit written instructions constitutes copyright infringement as a matter of law. By definition the copies are not only substantially similar, they are identical. A question of fact is present, thereby making summary judgment impossible.

The direct copying of copyright registration number TXu-139-833 was presented to the District Court six times during briefing and oral argument. In addition, the

direct copying issue was presented eight times during briefing and oral argument to the Court of Appeals. The courts below simply attempted to duck the issue until the Court of Appeals was forced to make the above decision on remand.

The numerous affidavits of "average lay observers": Alice T. Thebo, a notary public and Livingston County Deputy Circuit Court Clerk, Louis F. Glubzinski, an advertising manager for a Michigan newspaper, Edward Ruzumna, a store owner, Leejeen W. Sobotta, a Livingston County Deputy County Clerk, James E. Alexander, a service station manager, Darlene F. Balderas, a secretary administrator, Dennis D. Pushies, a journeyman electrician, Robert R. Daniels, Sr., a notary public and retired fire-engineer and the letter of Dennis J. Deshaies, dated March 28, 1985, witnessed by Sister Rita Martin, all show substantial similarity sufficient to defeat a Summary Judgment Motion.

The affidavits above by "average lay observers" show clearly "substantial similarity". To rule otherwise

as the Courts below have done is to show clearly a genuine issue of material fact as a matter of law. When there is the slightest doubt as to the facts, the courts have held that summary judgment may not be granted. See, First National Bank of Arizona v. Cities Service Co., 391 U.S. 253, 288-90, 88 S. Ct. 1575, 20 L. Ed. 2d 569 (1968); Veal v. Lindsay, 468 F.2d 287, 291 (2 Cir. 1972); Janis v. Wilson, 385 F. Supp. 1143, 1147 (D.S.D. 1974); Keller v. California Liquid Gas Corp., 363 F. Supp. 123, 126 (D. Wyo. 1973).

Pursuant to FRCP 56(c), Mihalek has by his pleadings, exhibits, affidavits and the admissions of the Respondents established that there is a genuine issue of material fact as to substantial similarity.

This court in Poller v. Columbia Broadcasting System, Inc., 82 S. Ct. 486; 368 U.S. 464, 7 L. Ed. 2d 458 (1962) stated:

> . . ."Summary judgment should be entered only when pleadings, depositions, affidavits and admissions filed in a case show no genuine issue as to any material fact." Fed. Rules Civ. Proc. rule 56(c), 28 U.S.C.A.

and in Simler v. Conner, 83 S. Ct. 609, 372 U.S. 221, 9 L. Ed. 2d 691 (1963) stated:

> . . ."Summary judgment was not warranted in view of conflicting facts presented by affidavits and depositions to district court. Fed. Rules Civ. Proc. rule 56, 28 U.S.C.A."

clearly showing that summary judgment against Mihalek should not have been entered in favor of the Respondents.

The District Court misled Mihalek by the Order of the Court, dated March 26, 1985, ordering Mihalek to match the Respondents' exhibit B in which the Respondents used an extrinsic test listing dissimilarities to determine whether the expressions in the Respondents' campaign are substantially similar to the expressions used by Mihalek. The extrinsic test is inappropriate; an intrinsic test must be used. As the court stated in Arnstein v. Porter, 154 F.2d 464, 468-69 (2 Cir. 1946), cert. denied, 330 U.S. 851, 67 S. Ct. 1096, 91 L. Ed. 1294 (1947):

> "Whether (if he copied) defendant unlawfully appropriated presents, too, an issue of fact. The proper criterion on that issue is not an analytic or other comparison of the respective. . .compositions. . ..The plaintiff's

> legally protected interest in the potential financial return from his compositions which derive from the lay public's approbation of his efforts. The question, therefore, is whether defendant took from plaintiff's works so much of what is pleasing to the [eyes and] ears of lay [persons], who comprise the audience for whom such popular [works are] composed that defendant wrongfully appropriated something which belongs to the plaintiff. Surely, then, we have an issue of fact which a jury is peculiarly fitted to determine." 154 F.2d at 472-73 (footnotes omitted). Analytic dissection, as the defendants have done, is therefore improper."

As such a genuine issue of material fact as a matter of law on the question of substantial similarity has been shown. The Courts below ruled in defect in granting Respondents' Motion for Summary Judgment in dismissing the copyright claims of Mihalek as a matter of law.

THE COURT OF APPEALS ERRED IN AFFIRMING THE SUMMARY JUDGMENT ON THE FIFTH AMENDMENT TAKING CLAIM

The Fifth Amendment provides in part as follows: "nor shall private property be taken for public use, without just compensation."

In order to make out a claim for a taking of property by the state, three basic elements must be shown, namely (1) state action, (2) that a property right is involved and (3) that there exists an unreasonable deprivation of the property for public use.

STATE ACTION

There is no real dispute in this case that the actions complained of by Mihalek were in fact state actions of the Respondents. In particular, the State of Michigan both financed and actively promoted the "Say Yes to Michigan" campaign throughout the State of Michigan and numerous other states. In addition, there were numerous state officials, acting in their official capacity, who visited Mihalek's home office for the purpose of viewing his advertising and promotional materials (Appendix page 139).

PRIVATE PROPERTY RIGHTS

Conversely, there is a dispute as to whether the Advertising Program of Mihalek constitutes a property right which is protectible under the Fifth Amendment to

the Constitution. Mihalek contends that the Advertising Program is in fact property which is protectible under the Fifth Amendment while the Respondents contend that it is not.

It is well established that the Fifth Amendment protects all types of property from being taken by state action and without compensation. For example, see Perry v. Sindermann, 408 U.S. 593, 33 L. Ed. 2d 570, 92 S. Ct. 2694 (1972). It is clear that advertising slogans, promotional schemes and the like constitute a business property which is protectible against misappropriation. Despite this, the District Court in granting the Defendant's Motion for Summary Judgment ruled in effect that the Advertising Program of Mihalek did not constitute property which was protectible under the Fifth Amendment. Specifically, the District Court, when rendering its decision, said:

> "It does not seem to me that this is the kind of . . .for the further reason, it does not seem to me that this is the kind of matter than can be protected under the Fifth Amendment and based upon the facts produced in this particular case." (Appendix 745)

In this regard, the District court erred; the Fifth Amendment protects "a broad range of interests" (Perry, supra).

DEPRIVATION FOR PUBLIC USE

There is a material issue of fact as to whether the Respondents deprived Mihalek of its business property for public use. The State of Michigan has submitted affidavits (Appendix page 131) indicating that it did not misappropriate Mihalek's property. Conversely, Mihalek has also submitted numerous affidavits (Appendix page 103) showing numerous similarities between the promotional campaign devised by Mihalek and the promotional campaign engaged in by the State of Michigan such that copying can be reasonably inferred. Access is admitted by both Mihalek and Respondents. In addition, there are numerous other facts from which a reasonable inference can be drawn that the State of Michigan misappropriated Mihalek's Advertising Program. For example, numerous state officials traveled from Lansing to Brighton, Michigan (a round trip of 80

miles) in order to view the Advertising Program prepared by Mihalek.

In any event, whether or not the State has misappropriated Mihalek's business property is a question of fact to be determined by the jury. As such it cannot be determined on a motion for summary judgment.

In its final judgment, the District Court granted Summary Judgment in favor of the State with respect to the Fifth Amendment saying:

> "The Motion for Summary Judgment in favor of state defendants on the Fifth Amendment count is GRANTED because there was no taking of Plaintiff's property."

The precise basis for this decision is unclear to Mihalek. However, in view of the court's comments at oral argument, supra, Mihalek believes that the Court reached its decision that "there was no taking of Mihalek's property" because Mihalek's Advertising Program does not constitute property. If this is the case, then the District Court committed reversible error since Advertising Programs do constitute "property" as discussed previously.

Conversely, if the Court decided that Mihalek's Advertising Program did constitute property but there was not taking, then the District Court erred in deciding a material question of fact; see John W. Shaw Advertising, Inc. v. Ford Motor Company, 112 F. Supp. 121 (D. Ill. 1953).

The Fifth Amendment issue was squarely before the Court of Appeals (see appeal number 85-1986). However, in its March 18, 1986 judgment against Mihalek, the Court ducked the issue.

Mihalek's Petition for Rehearing, dated March 30, 1987 stated in part:

> . . ."The Fifth Amendment issue was argued below, decided below, appealed, fee paid (85-1986), briefed, argued on the appeal before the Court and simply not addressed by this Court. Since the Fifth Amendment issue was not addressed in the decisions, Petitioners request decision on the Fifth Amendment issue by this Court:". . .

The essence of the Court of Appeals Order, dated June 8, 1987, stated there was no taking of Mihalek's property as a matter of law. Clearly, the remand on the issue of direct copying of Mihalek's copyrighted proposals

presents a question of fact as a matter of law. Copyright protected property constitutes a property right protected by the Fifth Amendment. The Court of Appeals is at error.

THE COURT OF APPEALS ERRED IN AFFIRMING THE SUMMARY JUDGMENT ON THE TRADEMARK ISSUE

For the reasons stated above at length, there is a question of fact as a matter of law involving the Federal Trademark Act, Title 15 U.S.C. Section 1125(a), specifically, false attribution constitutes a taking of property without authority.

CONCLUSION

The petition for a writ of certiorari should be granted.

September 8, 1987 Respectfully submitted,

/s/ JAMES M. DEIMEN
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325 East Eisenhower Parkway
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(313) 66-2-3159

No. _____

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1987

THE MIHALEK CORPORATION AND
LAWRENCE PATRICK MIHALEK,
Petitioners

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, Director, ROSS ROY, INC.,
Respondents

APPENDIX

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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RECOMMENDED FOR FULL TEXT PUBLICATION
See. Sixth Circuit Rule 24

Nos. 84-1851/1854, 85-1593/1986

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,
Plaintiffs-Appellants,

v.

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPT. OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR, ROSS ROY, INC.,
Defendants-Appellees.

ON APPEAL from the United States District Court for the Eastern District of Michigan.

Decided and Filed March 18, 1987

Before: MERRITT, WELLFORD and NORRIS, Circuit Judges.

WELLFORD, Circuit Judge. Lawrence Patrick Mihalek and his wholly owned corporation, Mihalek Corporation, collectively herein called Mihalek (as done in plaintiffs' brief, and as referred to by the district court), sued the State of Michigan, its governor, and its Department of Commerce and director, claiming, in effect, that these defendants misap-

propriated his copyrighted ideas and materials for a statewide advertising campaign promoting tourism and business and agricultural enterprise in the state. The background of this controversy is generally undisputed. Michigan officials, faced with the problems of recession in that state, decided during 1980 to develop an advertising and promotional campaign to foster awareness of the advantages of the state by way of tourism, agricultural and business advantages and attractions. A Washington, D. C., public relations firm was engaged to develop specific ideas and a campaign program to encourage greater enterprise and commerce within Michigan. A campaign styled "Say Yes to Michigan" was created and announced; later in 1984 a Detroit advertising firm was engaged to promote and develop this theme, which it called the "Yes M!CH!GAN" campaign.

Mihalek had initiated his own concept of a promotional program to help build a better general economic, business, and tourist climate in Michigan beginning in late 1980. He approached numbers of persons, to many or most of whom he was unknown, to try to familiarize them with his ideas and general campaign suggestions. Some of those whom he contacted and submitted materials were state officials or legislators. Mihalek had not held himself out as being in the advertising or public relations business prior to that time. His background had rather been in automobile sales and leasing. Mihalek called his proposal, "Michigan is Good News," and he incorporated a number of sketches, pictures and clippings about events giving an affirmative tone to opportunities in Michigan despite much bad news that affected the business climate and condition in that state. Mihalek copyrighted the materials in his proposed program at some point in his presentations and during the development of the so-called "Say Yes to Michigan" promotion.

With the assistance of his Michigan state representative, Mihalek was able to procure meetings with lower echelon state government officials initially and later arranged meet-

ings with Michigan Commerce Department officials to present his proposals. Several of the documents and materials were retained by state officials.

Mihalek contends that he was unaware that Michigan officials, including several with whom he had made contact and whom he had made a presentation while his work was in progress, were meeting with other public relation firms about Michigan's campaign. He claims that they received and used the ideas and materials he created without payment or recognition.

Michigan officials made arrangements, as stated, with well known and experienced public relations firms to carry out the "Say Yes to Michigan", and "Yes M!CH!GAN" programs, which defendant state officials had adopted and approved. Mihalek's suit followed, claiming infringement of copyright, violation of trademark, and violation of constitutional rights under 42 U.S.C. § 1983 (taking without due process and compensation), and pendent state claims for unfair competition and misappropriation of work product. Defendants do not deny that plaintiff is the holder of and has the right to the copyrighted materials or trademark materials in dispute, described collectively as the "Michigan is Good News" campaign.

Defendants moved to dismiss the complaint and amended complaint, urging Eleventh Amendment immunity and denying any misappropriation as charged. The district court, after a full discussion of the immunity contention, dismissed many of Mihalek's claims. *See* 595 F. Supp. 903 (E.D. Mich. 1984). The court, in effect, reduced the claims to petitions for injunctive relief against individual state officers. Prior to Mihalek's suit in federal court, Michigan had sued Mihalek in state court seeking and obtaining a temporary restraining order to prevent Mihalek's interference with Michigan's public relations campaign then in progress in 1984. The state action was removed to federal court and the cases were consolidated.

The district court judge also later held that after personally examining Mihalek's materials and those of the State of Michigan utilized in its "Say Yes to Michigan" and "Yes M!CH!GAN" campaigns, they were not substantially similar as a clear matter of fact, and further, as a matter of law there was no material issue in dispute to preclude his granting defendants' motion for summary judgment in the remaining claims for injunctive and/or declaratory relief. Summary judgment was granted defendants on all federal causes of action, but the district court held that it lacked jurisdiction to adjudicate the pendent state law claims and ordered a remand of these claims to state court. As to the added defendant, the Detroit public relations firm utilized in Michigan's official campaign, the district court entered its summary judgment motion on all claims. The district court declined to reconsider its decision and this appeal ensued. This court has permitted a number of amicus curiae briefs to be filed and has permitted on a limited basis amicus curiae participation in oral argument.

With respect to the infringement of copyright claim, Mihalek makes the following assertions in his appellate brief:

> MIHALEK'S property, most of which is presently unpublished, were all properly protected under the provisions of the Copyright Act 17 U.S.C. §§ 101 et seq., 302(a). Notice of copyright was clearly placed on all of the works, even though not necessary for unpublished works, 17 U.S.C. § 401(a). Infringement thereof is therefore with actual notice of claim to copyright.
>
> MIHALEK created a wholly original advertising campaign, its "product" being the State of Michigan. What MIHALEK'S valid copyrights protect is the proposals and advertisements themselves, and as grouped together as a "compilation", see 17 U.S.C. § 101, definitions.

> MIHALEK devised a combination of expressions devised to sell the State of Michigan and to make people feel good about the State of Michigan, which were reduced to concrete form. It is *not* the product (THE STATE OF MICHIGAN), but the design, layout, arrangement, expression, portrayal and description in the advertisements and proposals, which are protected individually and as a whole, by copyrights to MIHALEK. With valid copyrights, the exclusive rights enumerated under 17 U.S.C. § 106(1), through (5), are attached to all of MIHALEK'S works.

The first appeal in these consolidated cases arises out of the district court's holding that (1) the state and its departments and officials acting for the state were immune under the Eleventh Amendment; (2) only prospective injunctive relief against state officials might be obtained even *if* plaintiff established his case; and (3) no effectual relief could be obtained from alleged state law violations. Judge Joiner found no entitlement to relief and plaintiffs appealed. After the factual finding of no substantial similarity and the legal conclusion that there was no copyright infringement, Judge Joiner entered summary judgment for defendants.[1]

We have jurisdiction of this appeal, as the state defendants concede, under the copyright and trademark claims.

Mihalek argues that summary judgment was inappropriate with respect to this issue, because, among other reasons, he presented affidavits by "average lay observers" to the effect that there was substantial similarity. He contends therefore that the affidavits presented a contested material issue precluding summary judgment. *Wickham* v. *Knoxville Int'l*

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[1]Other suits between Mihalek and Michigan officials were pending at the time of filing briefs in this case. We need not discuss these actions here.

Energy Exposition, Inc., 739 F.2d 1094 (6th Cir. 1984) cited by plaintiffs, holds that in copyright infringement cases summary judgment is "sparingly" granted, and that "an appellate tribunal must review the evidence in the light most favorable to the party opposing the judgment." *Id.* at 1097. We are mindful of these precautions in reviewing the district court's actions in granting summary judgment to the defendants. *Wickham*, however, involved our affirmance of a district court's grant of summary judgment in a copyright infringement action precisely because "[t]he district court correctly concluded that as a matter of law no substantial similarity existed between plaintiff's and defendants' works." *Id.* at 1097. The district court in *Wickham*, as did Judge Joiner, found "substantial design differences." There was therefore no proof of copying found and summary judgment was granted in *Wickham*, regardless of plaintiff's contentions that defendants had access and had misappropriated his copyrighted design material.

A finding of substantial differences between the copyrighted material and the alleged copy has been found to justify a judgment for the defendant in copyright infringement proceedings, *Reyher v. Children's Television Workshop*, 533 F.2d 87 (2d Cir.), *cert. denied*, 429 U.S. 980 (1976). The burden is on plaintiffs to prove substantial similarity between the copyrighted material and the allegedly infringing material. *Wickham*, 739 F.2d at 1097; *Durham Indus. v. Tomy Corp.*, 630 F.2d 905, 911 (2d Cir. 1980); *Sid & Marty Krofft Television Prod. v. McDonald's Corp.*, 562 F.2d 1157, 1172 (9th Cir. 1977); *Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106, 1110 (9th Cir. 1970); *Clarke v. G. A. Kayser & Sons*, 472 F. Supp. 481, 482 (W.D. Pa. 1979), *aff'd mem.*, 631 F.2d 725 (3d Cir. 1980).

In this case the materials themselves bespeak the expressions of the general ideas involved in a public relations campaign. It is the expressions of the ideas, not the general concepts, that are to be examined particularly, because ideas

themselves and general concepts are not copyrightable. *Reyher*, 533 F.2d at 91; *Wickham*, 739 F.2d at 1097.

> While the demarcation between idea and expression may not be susceptible to overly helpful generalization, it has been emphasized repeatedly that the essence of infringement lies in taking not a general theme but its particular expression through similarities of treatment, details, scenes, events and characterization. . . .
>
> The question which remains is whether defendants in the instant case utilized the idea in Reyher's book or instead descended so far into the concrete as to invade her expression.

Reyher, 533 F.2d at 91.

In this case the works, materials, and expressions of Mihalek as compared with those utilized in the State's campaign are crucial and determinative, not the opinions of lay observers, who have made no careful determinations of the entire concepts involved.[2] *See Wickham*, 739 F.2d at 1097; *Decorative Aides Corp. v. Staple Sewing Aides Corp.*, 497 F. Supp 154, 157 (S.D.N.Y. 1980), *aff'd mem.*, 657 F.2d 262 (2d Cir. 1981); *Clarke*, 472 F. Supp. at 482. All this pertinent evidence was before the district court to be examined as to the materials in dispute. We are unable to say the materials

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[2]Plaintiff also argues that a state Department of Commerce official conceded that there were some similarities in what Mihalek presented and what Michigan utilized in its campaign, "Say Yes to Michigan." What that official stated, however, was that he had the impression of "some similarity in concept . . . [both were] involved with trying to create good feelings about Michigan. . . . [T]hey wanted to bring good things out about Michigan." This shared general idea or concept to "create good feelings about Michigan," is not, of course, any material evidence to indicate that there was substantial similarity as to the details, means and specific methodology of accomplishing an advertising program to promote Michigan.

raised a genuine issue of material fact as to substantial similarity, even giving plaintiffs the benefit of all favorable inferences to be drawn. The court's conclusion that as a matter of law plaintiffs had failed to demonstrate copying or infringement by first showing that there were substantial similarities is not erroneous. Indeed, this court has itself carefully examined the materials in the record and finds that there are no substantial similarities, taking into account the "particular expression" through "treatment, details, scenes, events and characterization." See *Reyher* 533 F.2d at 91. The fact that plaintiffs envisioned a promotional campaign featuring the use of tee shirts, hats, slogans, pictures, and promotional events, and that the campaigns utilized by the State of Michigan incorporated these generally universal ideas, among many many other devices, in a public relations program to spotlight affirmative things about the State of Michigan is not any indication of similarity where the individual clothing items, slogans, pictures and events were substantially different.

We do not find *Blumcraft of Pittsburgh v. Newman Bros.*, 373 F.2d 905 (6th Cir. 1967), relied upon by plaintiffs, to be contrary to the district court decision. There the district court had before it the affidavit of an expert in the very field of dispute, an architect, who testified by "tracing paper comparison" that there had been actual copying, and this court on review indicated that "[s]ubstantial similarity between the two illustrations in question is obvious." *Id.* at 907. The facts and circumstances in *Blumcraft* are significantly different from those in the instant case. We are not persuaded by other authority cited by plaintiffs where infringement was found or indicated. Some authority involved an alleged patent violation, others involved admissions and concessions in copyrighted music cases where records were played without permission. We have considered carefully the authorities relied upon by plaintiffs, including *Wickham*, *Krofft Television*, and *Roth Greeting Cards*, and find them unpersuasive as to plaintiff's contentions on this

issue. *International Luggage Registry v. Avery Products*, 541 F.2d 830 (9th Cir. 1976), for example, another case cited by plaintiff, is not comparable. It involved alleged copies of copyrighted luggage labels, which the appellate court found upon "casual examination . . . reveals a marked likeness." As a consequence, it could not be said "as a matter of law that there is no substantial similarity." *Id.* at 831. (Similarly, *Peter Pan Fabrics v. Martin Weiner Corp.*, 274 F.2d 487 (2d Cir. 1960) involving a "deliberate copyist" who had offered no evidence in defense of a copyright infringement claim is not persuasive under the circumstances of the instant case.)

"A general impression of similarity is not sufficient to make out a case of infringment", *Durham Indus.*, 630 F.2d at 912. "Just as copyright protection extends to expression but not ideas, copyright protection extends only to the artistic aspects, but not the mechanical or utilitarian features, of a protected work" and "only *substantial* similarity will support a determination of infringement." *Id.* at 913. Finally, "[a]s a matter of logic as well as law, the more numerous the differences between two works the less likely it is that they will create the same aesthetic impact so that one will appear to have been appropriated from the other." *Id.*, (citing *Herbert Rosenthal Jewelry Corp. v. Honora Jewelry Co.*, 509 F.2d 64, 65-66 (2d Cir. 1974)).

In this case the district court carefully examined the extensive programs and materials involved and concluded, as a matter of law that an average reasonable layperson upon such examination could not find substantial or sufficient similarity to establish copyright infringement. We have attempted to duplicate that examination and conclude that there is simply no substantial similarity involved in the two public relations programs or campaigns in dispute, and there is no demonstrated evidence of copying or wrongful appropriation of plaintiff's copyrighted expressions. Compare *Wickham*, where the court found no substantial similarity and a number of significant differences, as is the situation here. Compare

also the situation and analysis in *Clarke*, with the instant case; *Clarke* also involved affirmance of a grant of summary judgment to a defendant in a copyright infringement case.

Accordingly, we AFFIRM the judgment of the district court that there is no copyright infringement established because of a lack of substantial similarity between the products.

Mihalek also contends that defendants have violated the Lanham Act (15 U.S.C. 1125(a)).[3] This claim involves whether there has been a violation of the Act's prohibition against a "false designation of origin." This, in turn, requires an investigation into whether the works or campaign materials utilized by Michigan and the defendants are likely to cause confusion to the general public as to the origin of these materials. Mihalek claims that defendants "falsely attributed" to public relations firms inside and outside of Michigan and to state officials involved in the Michigan promotions at issue his expressions, business ideas, slogans, promotional schemes and campaigns in violation of the Lanham Act. (Brief for Appellant, 4/18/86 at 16.)

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[3]This Lanham Act section provides:

> Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

15 U.S.C 1125(a).

We have dealt with such a claim recently in *Frisch's Restaurants, Inc. v. Elby's Big Boy*, 670 F.2d 642 (6th Cir.), *cert. denied*, 459 U.S. 916 (1982) and set forth the factors to be considered with regard to similarity and likelihood of confusion. *See also Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982). This issue of violation under the Lanham Act presents an asserted federal cause of action.

Plaintiff contends that a factual issue concerning a Lanham Act violation has been raised by certain layperson affidavits filed to the effect that they believed that based on materials which they viewed in the course of the State of Michigan's "Say Yes to Michigan" and "Yes M!CH!GAN" campaigns, they may have been borrowed from Mihalek or that Mihalek must have been involved in these promotions. These contentions and the affidavits have been discussed in the earlier portion of this opinion dealing with the allegations of copyright infringement. Based upon the district court's own observations of the materials, the court found no substantial similarity involved, therefore no likelihood of confusion, and no false designation of origin exist as plaintiff is required to prove in this type of trademark violation claim. The district court, accordingly, determined there was no material issue in dispute on the trademark claim that would preclude the grant of summary judgment to defendant on this issue.

Essentially for the reasons discussed fully on the copyright infringement claim, we find no error in the district court's determination. After a careful examination of the materials claimed to be protected under the Lanham Act and the particulars involved in the campaigns, we find no error in the findings of the court below. There is no substantial similarity in the products, or in the "marks" utilized, nor any substantial evidence of *actual confusion* based on side-by-side examination or comparison of Mihalek's work product as compared to that utilized by defendants.

As in the copyright infringement context, the trademark violation claim involves necessarily a careful comparison of the works or product claimed to be infringed or falsely designated or represented to determine similarity. In this kind of controversy as observed in *Litchfield v. Spielberg*, 736 F.2d 1352, 1355-56 (9th Cir. 1984), *cert. denied*, 470 U.S. 1052 (1985), summary judgment may be "appropriate . . . if reasonable minds could not differ as to the absence of substantial similarity in expression. *See v. Durang*, 711 F.2d 141, 143 (9th Cir. 1983)." This trademark claim raises similar issues to the copyright claim as to substantial similarity, and if no substantial similarity is determined, then the trademark claim must also fail. *See Litchfield*, 736 F.2d at 1358; *Durham Indus.*, 630 F.2d at 918; *Warner Bros., Inc. v. American Broadcasting Co.*, 720 F.2d 231, 246 (2d Cir. 1983).

The trial court considered the evidence presented relative to similarity or non-similarity and simply found no copyright or trademark violations involved within the meaning of the Lanham Act. We also AFFIRM this decision by the district court.

Having decided that there was no error in granting defendants' motion for summary judgment on the copyright and trademark claims, because there was no substantial similarity in the programs in dispute and therefore no infringement or violation by defendants as a matter of law, we next consider the other issues raised in appellant Mihalek's brief.

Following dismissal of some of Mihalek's claims in October of 1984 on the basis of immunity, plaintiff sought to serve on original defendants a "verified amendment" including "proposed class actions" under Fed.R.Civ.P. 23. Mihalek's alleged principal purposes in filing the amendment were to toll the statute of limitations, 17 U.S.C. § 507(b), with respect to certain defendants while an appeal was pending from the decision based on Eleventh Amendment immunity; and to add private parties who were involved in the promotional campaign utilized by the State of Michigan. The State moved

to strike the amendment as a harassment effort and an attempt to accomplish through this means what the court had precluded in its prohibition against Mihalek's serving additional copyright notices and claims on those doing business with the state except for the addition of Ross Roy, Inc., the Detroit advertising agency, as a defendant.

In view of our holding that neither the copyright claim nor the trademark claim is sustainable against the original named defendants and Ross Roy, we find it unnecessary further to consider this contention concerning the class action claim. We also find it unnecessary to discuss the difficult question as to whether state immunity applies to a copyright and/or trademark violation claim. These latter claims are the principal ones upon which plaintiff relies in this controversy, and a decision on the application of the Eleventh Amendment to these claims is rendered unnecessary in light of the decision made and reached that no copyright or trademark infringement has been established on this record as a matter of law.

> This Court has said repeatedly that it ought not pass on the constitutionality of an act of Congress unless such adjudication is unavoidable. This is true even though the question is properly presented by the record. If two questions are raised, one of non-constitutional and the other of constitutional nature, and a decision of the non-constitutional question would make unnecessary a decision of the constitutional question, the former will be decided.

Alma Motor Co. v. Timken-Detroit Axle Co., 329 U.S. 129, 136 (1946) (footnote omitted).

In summary, we affirm the summary judgment for defendants in this case, concluding for the reasons stated, based, among other reasons, on our examination of the record and the materials involved that there has been no copyright or trademark infringement demonstrated as a matter of law.

The denial of Mihalek's amendment is rendered moot under those circumstances. We find it unnecessary, therefore, to address the Eleventh Amendment immunity issue. We AFFIRM the judgment for defendants for the reasons stated.

ATTACHMENT B

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

THE MIHALEK CORPORATION
and LAWRENCE PATRICK
MIHALEK,

Plaintiffs-Appellants-Petitioners,

v.

File Numbers:
84-1851/1854
85-1593/1986

THE STATE OF MICHIGAN,
GOVERNOR JAMES J.
BLANCHARD, THE DEPARTMENT
OF COMMERCE OF THE STATE
OF MICHIGAN, RALPH J.
GERSON, DIRECTOR,
ROSS ROY, INC.,

Defendants-Appellees.

_____/

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APPEAL FROM THE UNITES STATES
DISTRICT COURT FOR THE
EASTERN DISTRICT OF MICHIGAN

PETITION FOR REHEARING

Plaintiffs-Appellants, by and through their attorneys, James M. Deimen, Richard A. Heikkinen and Douglas W. Sprinkle, Petition for Rehearing pursuant to F.R.A.P. 40 in the above captioned consolidated appeals as follows:

This Court has reached and filed March 18, 1987 decisions with respect to the copyright and trademark claims and the 11th Amendment issue involving Petitioners' advertising program and, although Petitioners disagree with the Court, this Petition is not directed to these issues at this time. However, there are two issues that this court neglected to reach and must reach:

The Fifth Amendment issue was argued below, decided below, appealed, fee paid (85-1986), briefed, argued on the appeal before this Court and simply not addressed by this Court. Since the Fifth Amendment issue was not addressed in the decisions, Petitioners request decision on the Fifth Amendment issue by this Court;

and

With respect to the copyright issue, there are two separate issues; first, the advertising program itself and second, the direct copying by Defendants of Petitioners' unpublished secret advertising program plan, copyright registration number TXu-139-833. This Court has

decided against Petitioners on the advertising program itself reasoning that the Petitioners' and Defendants' advertising programs in question were not substantially similar. Petitioners vehemently disagree, but are not asking this Court to reconsider the substantial similarity issue at this time. Clearly, however, this Court's decision does not apply to the direct photocopying by the Defendants of Petitioners' copyrighted advertising program plan at the direction of two of the highest officials in the Michigan Department of Commerce. These officials were responsible for the planning, development and implementation of Defendants' official advertising campaign. Photocopying by the Defendants of the two advertising program plan documents owned by Petitioners in violation of Petitioners' explicit written instructions constitutes copyright infringement as a matter of law. By definition the copies are not only substantially similar, they are identical. Therefore, since this issue was argued below, decided below, appealed, fee paid (85-1986), briefed, argued on the appeal and simply not addressed by this Court in its decisions, Petitioners request decision on the direct copying issue by this Court.

In the event that either of these two undecided issues are decided in Petitioners' favor, the 11th

Amendment issue must be reached to determine liability in the Defendants.

Dated: March 30, 1987

Respectfully submitted,

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ATTACHMENT C

NOS. 84-1851/1854/85-1593/1986

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

THE MIHALEK CORPORATION AND LAWRENCE PATRICK MIHALEK, Plaintiffs-Appellants, v. THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPT. OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR, ROSS ROY, INC., Defendants-Appellees.	)	ORDER

BEFORE: **MERRITT, WELLFORD,** and **NORRIS,**
Circuit Judges

We filed an opinion in this cause on March 18, 1987, affirming the decision of the district court and denying plaintiffs the relief sought for alleged misappropriation of their copyrighted and trademark materials and ideas in the advertising plan in controversy. The petition for rehearing asserts that we failed to reach two issues in our prior opinion. First, the misappropriation claim included

the contention that defendants, through governmental and state action, had taken their property without compensation within the meaning of the fifth amendment. Our opinion does not specifically mention the fifth amendment claim. It is clear, however, that our holding was to the effect that as a matter of law there was no "taking" of plaintiff's materials and concepts and those utilized by defendants. We found no error in the district court's conclusion that defendants had not used, appropriated, or benefitted from plaintiffs' property in the form of ideas, materials, or advertising concepts. There was, then, no violation of plaintiffs' claimed fifth amendment rights.

Plaintiffs also assert that we failed to address their claims of "direct photocopying by defendants" of "copyrighted advertising program plan at the direction of two of the highest officials in the Michigan Department of Commerce." This contention involves the statement made in plaintiffs' brief that two state officials had kept two photocopies of some of the copyrighted material. This photocopying was assertedly discovered during plaintiffs' Michigan Freedom of Information Act investigation following selection by defendants of another advertising program.

It is not clear whether defendants asserted "fair use" as an affirmative defense in this case, nor whether there may have been a technical, although possibly de

minimis non curat lex violation of 17 U.S.C. § 106 in the alleged retention of photocopies by two state officials. This question was not specifically addressed by the district court in his decision nor does it appear that this failure to address this issue was called to his attention by the parties. We believe it is best for the district court in the first instance to address this contention. We therefore **REMAND** the question of alleged photocopying by state officials and whether, if it occurred, this constituted a violation of plaintiffs' claimed rights in any respect in light of the record made by the parties.

ENTERED BY ORDER OF THE COURT

/s/ JOHN P. HEHMAN
CLERK

ATTACHMENT D

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,

Plaintiffs,

Civil Action
No. 84-CV-7202-AA

v

HONORABLE
CHARLES W. JOINER

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR,

Defendants.

_____/

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MEMORANDUM OPINION AND ORDER

This case is before the court on defendants' motion to dismiss or in the alternative, for change in venue. For reasons stated herein, the motion to dismiss is granted in part, and the motion for change of venue is denied.

In brief summary, the action is one for infringement of copyright, violation of trademark, and violation of constitutional rights brought pursuant to 42 U.S.C. § 1983, along with a pendent state claim for unfair competition and misappropriation of work product. Plaintiff[1] was the registered holder of certain copyrighted materials, which are collectively described as the "Michigan is Good News" campaign. Plaintiff alleges that he entered into agreements with agents of the State of Michigan for creation of these materials. He showed the materials to these people while the work was in progress, and the agents alledgedly appropriated the designs for their own use, incorporating them into the "Say Yes to Michigan" and "Yes M!ch!gan" campaigns, which are well known promotional operations designed to encourage investment and travel in this state. Plaintiff

[1]The complaint alleges that the copyrights are currently held by the corporate plaintiff, of which the individual plaintiff is apparently the sole shareholder. For purposes of this opinion, the term "plaintiff" will be used to designate both plaintiffs.

alleges that he was never paid for his efforts in developing the designs, and that the wrongful appropriation of the designs supports the various causes of action alleged in the complaint, which seeks money damages and injunctive relief.

The defendants in this action are the State of Michigan, the Department of Commerce of the State, James Blanchard, the Governor, and Ralph Gerson, the Director of the Department of Commerce.

DISCUSSION

Motion to Dismiss

All defendants have moved to dismiss the complaint, arguing that, despite the presence of individual state officials as parties defendant, the action is one against the state, and therefore barred by the eleventh amendment. Plaintiff has responded to this motion with the argument that the eleventh amendment does not bar an action against the state and state officials for infringement of copyright, relying exclusively on Mills Music v. State of Arizona, 591 F.2d 1278 (9th Cir. 1979). The court in Mills Music did expressly hold that, by enacting the Copyright Act, 17 U.S.C. § 1 et seq. pursuant to the authority granted to it by the Copyright and Patent Clause of the United States

Constitution, Art. 1, § 8, Cl. 8, Congress has specifically authorized private actions against a class of defendants that includes states, and thereby abroggated the states' eleventh amendment immunity, id. at 1284-85.

With the exception of Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962), which simply held without discussion that the eleventh amendment barred an action against a local school district, as an instrumentality of the state, for copyright infringement, Mills Music appears to be the only case directly on point. Although the opinion reflects a thorough and thoughtful discussion of recent eleventh amendment jurisprudence, this court is compelled to conclude that Mills Music was decided incorrectly, insofar as it held that an action for damages could be maintained against a state for infringement.

In Edelman v. Jordan, 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974), the Supreme Court held that the eleventh amendment barred an action against a state for recovery of benefits to which the plaintiffs were entitled under the Aid to Aged, Blind, and Disabled program, established by the Social Security Act. The Court concluded that, insofar as the District Court had ordered the Director of the Department of Public Aid of Illinois to make payments to the plaintiffs on the basis of benefits wrongfully denied prior to the entry of the decree by the District Court, that order constituted a form of "retroactive relief" that was barred by the

eleventh amendment. The Court distinguished between this kind of retroactive relief, which was analogous to an award of money damages for injuries sustained prior to entry of the judgment, and "prospective relief" in the form of an injunction, requiring the defendant to conform its future conduct to legal requirements, id. at 678, 94 S.Ct. at 1363. The Court thereby reconciled the historic opinion of Ex Parte Young, 209 U.S. 123, 28 S.Ct. 441, 52 L.Ed. 714 (1908), in which it held that an action for equitable relief, brought under 42 U.S.C. § 1983, charging a state official with unconstitutional conduct in the exercise of his official duties, was not barred by the eleventh amendment, with Ford Motor Co. v. Department of Treasury, 323 U.S. 459, 65 S.Ct. 347, 89 L.Ed. 389 (1945), in which it held that an action for recovery of damages from a state official, in which judgment would have to be paid from the state treasury, was subject to the sovereign immunity defense established by the amendment.

The holding in Edelman was subsequently reaffirmed in Quern v. Jordan, 440 U.S. 332, 99 S.Ct. 1139, 59 L.Ed.2d 358 (1979), which arose from the same action as Edelman. The Quern Court concluded that cases decided subsequent to Edelman, particularly Hutto v. Finney, 437 U.S. 678, 98 S.Ct. 2565, 57 L.Ed.2d 522 (1978) and Monell v. New York Department of Social Services, 436 U.S. 658, 98 S.Ct. 2018, 56 L.Ed.2d 611

(1978), did not undermine in any way Edelman's conclusion that enactment of the Civil Rights Act of 1871, currently codified in 42 U.S.C. § 1983, did not abrogate the states' sovereign immunity under the eleventh amendment, Quern, supra, 440 U.S. at 339-41, 99 S.Ct. at 1144-45.

Although neither Edelman nor Quern dealt with the precise issue presented in this motion to dismiss and answered in the affirmative by the Mills Music court, that is, did enactment of the Copyright Act abrogate the eleventh amendment immunity of the states, this court concludes that those opinions from the Supreme Court compel a different result from that reached in Mills Music. Although the federal interest in patent and copyright law is expressly declared in the body of the Constitution itself, it is the Copyright Act which establishes the substantive legal right to be free from infringement which is the basis for the relief sought in this case by plaintiff. As such, the right to be free from infringement, although a substantial one guaranteed by federal law, is deserving of no more protection than is the right to benefits for the aged, blind, and disabled, which rights were also expressly established by act of Congress. Despite the existence of a Congressional guaranty to these benefits, the Supreme Court concluded that a federal court is without jurisdiction, by operation of the eleventh amendment, to impose an award of

damages against a state, or against its agents when the award would compel an invasion of the coffers of the state, for violation of federal law.

This court holds that all defendants in this action are entitled to immunity under the eleventh amendment from plaintiff's prayer for money damages under each of his four theories of liability. Further, the recent decision of Pennhurst State School v. Halderman, ____ U.S. ____, 104 S.Ct. 900, 79 L.Ed.2d 67 (1984), makes clear that the eleventh amendment also prohibits federal courts from awarding injunctive relief against state officials for claims predicated upon state law. Insofar as plaintiff's claim for disclosure of trade secrets, unfair competition, and misappropriation of word product is grounded upon state statutory or common law, that claim can not support an action for injunctive relief against these defendants under the reasoning of Pennhurst. To the extent that plaintiff is seeking injunctive relief against future violations of his federally protected rights, by the individual defendants, the eleventh amendment offers no protection to the individual defendants, Ex Parte Young, supra. The State itself, and the Department of Treasury, are immune from suit altogether, however, Hans v. Louisiana, 134 U.S. 1, 10 S.Ct. 504, 33 L.Ed. 842 (1890), Employees v. Department of Public Health and Welfare, 411 U.S. 279, 93 S.Ct. 1614, 36 L.Ed.2d 251 (1973).

Motion for Change of Venue

Venue in this case is predicated upon the Patents and Copyright Venue statute, 28 U.S.C. § 1400, with respect to the copyright claims, and upon the general venue provision, 28 U.S.C. 1391(b) with respect to the other claims. Defendants urge that venue does not properly lie in this court with respect to the instant claims under either statute.

Section 1391(b) of Title 28 provides as follows:

> (b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial district where all defendants reside, or in which the claim arose, except as otherwise provided by law.

Defendants accurately assert that venue of an action against public officials under this statute is properly laid in the judicial district in which the official maintains his official residence, O'Neill v. Battisti, 472 F.2d 789 (6th Cir. 1972). The individual defendants in this action, Governor Blanchard and Secretary of Treasury Gerson, maintain their official residences in Lansing, Michigan, which is located in the Western District of Michigan. This court therefore lacks venue for the trademark infringement and § 1983 claims against those defendants.

Section 1500(a) of Title 28 provides as follows:

> (a) Civil actions, suits or proceedings arising under any Act of Congress relating to copyrights may be instituted in the district in which the defendant or his agent resides or may be found.

This subsection provides a less restrictive venue standard than does either § 1391 or subsection (b) of § 1400, Time Incorporated v. Manning, 366 F.2d 690, 697 (5th Cir. 1966).

Plaintiff argues that the State of Michigan maintains a liquor store in Ann Arbor, and that, because this agent is "found" in this district, venue is properly laid here under § 1400(b). Defendant contends, without citation to authority, that plaintiff's position is preposterous on its face, because the existence of a state-operated liquor store in this district should not be sufficient to vest this court with venue.

The court has conducted its own research into this matter, and finds nothing on point. The general rule of construction of § 1400(a) is that a defendant or his agent "may be found" in any district in which he is amenable to personal jurisdiction, or wherever he may validly be served with process, see Micromanipulator Co., Inc. v. Bough, 558 F.Supp. 36, 37 (D.Nev. 1982); Donner v. Tams-Witmark Music Library, 480 F.Supp. 1229, 1234 (E.D.Pa. 1979).

The court concludes that venue is properly laid in this district, but not for the reasons set forth by

plaintiff. The individual defendants, the Governor and the Secretary of Commerce, are amenable to personal jurisdiction throughout this state, including the area comprised by the Eastern District of this state, see Michigan GCR 105.9 and RJA § 701 [M.C.L.A. § 600.701] (personal jurisdiction over individuals). Further, the Department of Commerce may be sued in this district for the same reasons. This result is especially appropriate in this case, because the acts which constitute the alleged infringement of plaintiffs' copyrights occurred throughout the state, including this district. Further, because venue is proper in this court with respect to the copyright infringement claims, this court, in the interests of efficiency, will retain the trademark infringement and constitutional claims, insofar as they seek injunctive relief, even though those claims, had they been brought without the copyright claim, would not have been sufficient to vest this court with venue against these defendants, see Carolyn Chenilles, Inc. v. Ostow & Jacobs, Inc., 168 F.Supp. 894 (S.D.N.Y. 1958).

For the foregoing reasons the motion for change of venue is denied.

SO ORDERED.

/s/ CHARLES W. JOINER
HONORABLE CHARLES W. JOINER
U.S. District Judge

Dated: October 12, 1984

ATTACHMENT E

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION
and LAWRENCE PATRICK MIHALEK

Plaintiffs,

Civil Action
No. 84-CV-7202-AA

v

HONORABLE
CHARLES W. JOINER

THE STATE OF MICHIGAN,
GOVERNOR JAMES J.
BLANCHARD, THE DEPARTMENT
OF COMMERCE OF THE STATE
OF MICHIGAN, RALPH J.
GERSON, DIRECTOR,
ROSS ROY, INC.,

Defendants.
_____/

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MEMORANDUM OPINION AND ORDER

This case is before the court on plaintiff's motion for reconsideration of the court's oral ruling of April 17 and order entered April 24, granting defendants' motion for partial summary judgment; plaintiff's ex parte motion to strike from the court files defendants' response to the motion for reconsideration; and plaintiff's ex parte motion to extend the time to serve certain party defendants. For the reasons stated herein, the motion to strike defendants' response to the motion for reconsideration is granted. The motion for reconsideration and the motion to extend time for service are denied.

FACTS AND PROCEDURAL HISTORY

This case grows out of a controversy between plaintiffs Lawrence Mihalek and the Mihalek Corporation (hereafter jointly referred to as "plaintiff") and the State of Michigan and certain of its agents and agencies. The thrust of the case is that the state officials, and various advertising agencies working under contract with the state, appropriated plaintiff's work product, portions of which were registered under the federal copyright laws, and used those products to formulate its popular "Say Yes to Michigan" and subsequent "Yes Michigan" promotional

campaigns, which seek to encourage investment and travel in this state.

Resolution of these motions should be set against a recitation of the procedural history of this case. Defendant State of Michigan originally filed suit in state court, seeking to enjoin plaintiff from issuing notices of copyright infringement to certain media interests who were publishing items of the state's promotional campaign. Plaintiff subsequently filed a four count complaint in this court, alleging copyright infringement; trademark infringement; appropriation of property without compensation, in violation of the takings clause of the fifth amendment; and unfair competition.

The state court judge before whom the first action was filed initially entered a temporary restraining order against plaintiff herein, then disclaimed jurisdiction over the controversy in light of the presence of the copyright claims, over which exclusive federal court jurisdiction is granted by 28 U.S.C. § 1338. Plaintiff herein successfully removed the state court case to this court, and all subsequent litigation has proceeded under the case arising from the complaint filed by plaintiff.

On October 11, 1984, the court granted in part and denied in part defendant's first motion to dismiss, holding that the defendants were immune from damages by operation of the eleventh amendment. The case proceeded as an injunctive action. On October 25, the

court granted defendants' motion for a preliminary injunction, prohibiting plaintiff from filing further notices of copyright infringement. Plaintiff subsequently filed an amended complaint, seeking to establish a defendant class of media entities that had published the "Say Yes to Michigan" materials.

In February of this year, defendants moved to dismiss the amended complaint, or in the alternative to enjoin plaintiff from serving the complaint upon any of the proposed media defendants. Because plaintiff had neither moved for certification of a class of defendants, nor served the media entities named in the amended complaint, the court regarded this case as one against the four defendants named in the original complaint. At the hearing on defendants' motion to strike the amended complaint and to enjoin service, held on February 12, the court held that plaintiff could serve a copy of the complaint upon Ross Roy, Inc., in order to preserve his copyright claims against that defendant from operation of the statute of limitations, but forbade service on the other media entities, unless plaintiff made a particular showing that his rights were jeopardized with respect to each entity he sought to serve. The court concluded that the likely chilling effect on the state's promotional campaign resulting from service of the amended complaint on the media entities justified the relief granted.

Plaintiff's counsel subsequently contacted the chambers of this court to request an ex parte meeting with the judge. The asserted purpose of the meeting was to demonstrate to the judge the strength of plaintiff's copyright infringement claims. Plaintiff's counsel indicated that he believed that his case was threatened by what he presumed was the court's lack of conviction in the strength of the copyright claims.

The court convened an informal hearing, with all parties present, on February 21. The proceedings were recorded by the court reporter. Defendants' motion for summary judgment was pending before the court at that time and scheduled for hearing in April. The court did not conduct a hearing on the motion on February 21, and no rulings whatsoever were made by the court at that informal hearing, the purpose of which was merely to provide plaintiff with an opportunity to outline the factual allegations of the copyright infringement claims, with the use of physical evidence.

On April 17, the court heard and granted defendants' motion for partial summary judgment. The court concluded that the plaintiff had failed to demonstrate a genuine issue of fact concerning the substantial similarity between his copyrighted materials and the accused works that composed defendants' promotional campaign. Defendants conceded for the purposes of the motion that its agents had access to

plaintiff's copyrighted materials so as to enable them to copy those materials had they so intended.

DISCUSSION

Plaintiff's Motion to Strike
Defendants' Response

After plaintiff served his motion for reconsideration of the April 24 order, defendant filed a brief response with the court. Plaintiff subsequently moved ex parte to strike the response from the court's files, pursuant to Local Rule 17(k)(2), which provides that no response to a motion for reconsideration or rehearing shall be allowed unless the court otherwise directs. Although the court believes that the ex parte filing of this motion to strike was improper, it is bound by the old saw that two wrongs do not make a right. Consequently, the response will be stricken from the court's files in this matter, and was not and will not be considered in the court's ruling on plaintiff's motion for reconsideration.

Plaintiff's Motion for Reconsideration

Plaintiff urges four grounds for reconsideration of the April 24 order, as follows:

(1) the court's holding that there was no genuine issue of material fact concerning the absence of substantial similarity between the plaintiff's copyrighted works, and defendants' accused works, was erroneous as a matter of law, because the court failed to take into consideration the affidavits of several purported "lay observers", who asserted that they believed that defendants' promotional campaign had borrowed extensively from plaintiff's works;

(2) plaintiff was prejudiced in the preparation of his response to the motion for summary judgment by the failure of the court reporter to file a copy of the transcript of the informal February 21 hearing until April 29, almost two weeks after the hearing on the motion for summary judgment;

(3) the court improperly limited the hearing on the motion for summary judgment to 1-1/2 hours, thereby depriving plaintiff of an opportunity to call twelve witnesses available to testify on this matter, and to present additional documentary evidence in support of his response to the motion;

(4) the court applied an erroneous legal standard in ruling on the motion for summary judgment, using the forbidden "extrinsic test" of similarity, rather than the appropriate "intrinsic test".

The court will address these arguments in turn,

Failure to Consider Affidavits

Plaintiff has failed to cite the court to any authority for the proposition that the affidavits of the alleged "lay observers" have any bearing whatsoever on the issue of substantial similarity, for purposes of a motion for summary judgment. The case of Milene Music, Inc. v. Gotauco, 551 F.Supp. 1288 (D.R.I. 1982) is wholly inapposite. That case merely stands for the entirely reasonable proposition that affidavits of plaintiff's investigative agents, attesting to the occurrence of live public performances by alleged infringers, are admissible evidence and may be used to establish proof of such an occurrence.

The issue presented in defendants' motion for summary judgment is whether any reasonable jury could conclude, after viewing all of the evidence presented in support of and in opposition to the motion, granting all permissible inferences in favor of the plaintiff, that defendants' accused works were substantially similar to plaintiff's copyrighted works. Although the question of substantial similarity is generally one of fact for the jury, the presentation of a motion for summary judgment gives rise to a legal question of the existence of genuine question of material fact. Cf. Alexander v. Haley, 460 F.Supp. 40 (S.D.N.Y. 1978) (granting defendants' motion for summary judgment against claims of copyright

infringement, finding no substantial similarity between plaintiff's protectable works and defendant's works).

The issue should be further refined. Defendants have challenged the validity of plaintiff's copyrights, to the extent that he has attempted to claim protection over certain matters that are not the proper subject of copyright. In this regard, they argue that the only similarities between plaintiff's works and the Michigan promotional campaigns is that both address a common general subject: promotion of the state's natural and cultural resources. Defendants contend that plaintiff is attempting no less than to maintain a copyright over the enterprise of promoting the state of Michigan.

There are of course limitations on the subject matter that can be protected by copyright. Matters of historical or contemporaneous fact, material traceable to the public domain or folk custom, "scenes a faire" (such as incidents, characters or settings which are as a practical matter, indispensable in the treatment of a given topic), and cliched language are examples of subjects over which an author cannot claim exclusive use. See Alexander v. Haley, 460 F.Supp. at 44-46. Thus, the fact that both plaintiff and the creators of the state's campaigns sought to extol certain features of the state can not form the basis for an action of infringement. The question before the court becomes whether those portions of the plaintiff's works that are protectable by copyright,

those expressions which are original to his creation, are substantially similar to the accused works.

Faced with such a motion, the court must conduct a side-by-side examination of the two sets of works, and determine if a reasonable jury could find such a substantial similarity. See Clarke v. G.A. Kayser & Sons, Inc., 472 F.Supp. 481, 482 (W.D. Pa. 1979).

Prior to the hearing on the motion, the court was presented with voluminous physical evidence by both sides, purporting to represent the documentary manifestations of plaintiff's copyrighted works, and the state's promotional campaigns. The court conducted an examination prescribed by the Clarke opinion prior to the hearing on the motion. As a result of this examination, and in light of the arguments of counsel at the hearing on the motion, the court found that there was no substantial similarity between the defendant's promotional campaigns, and those portions of plaintiff's registered works that were protectable by the copyright laws, either viewing those works as integrated wholes, or in terms of their constituent elements. As the court's ruling on the motion for summary judgment indicates, the court further found that there could be no genuine question of material fact on this issue.

In coming to this conclusion, the court did not and could not take into consideration the affidavits filed by plaintiff, representing the conclusions of purported

average lay observers, that the two sets of works were substantially similar.

First, plaintiff has failed to establish that these persons were in fact "average lay observers". Indeed, the affidavits betray a strong sense of sympathy for plaintiff, and a concomitant inability to evaluate the evidence objectively.

Second, there is no indication from the affidavits that the affiants applied the correct legal standard. The affiants variously recite that upon viewing the media publications of the state's promotional campaign, they believed that the state had either hired plaintiff to develop the campaign, or else had improperly borrowed plaintiff's works in developing the campaign. These statements do not go to the precise issue of whether or not there is a substantial similarity between the two works.

Finally and most fundamentally, the affidavits are an irrelevant form of evidence for purposes of the issue presented by the defendant's motion. As indicated above, the question of whether or not there exists a genuine question of material fact with respect to the issue of substantial similarity is one of law for the court. The proper inquiry is whether or not a hypothetical jury, impaneled in this case and presented with plaintiff's proofs of infringement, could reasonably conclude that the two sets of works were substantially similar. The

court must, in effect, set the minimum legal standard for submission of the case of jury deliberation.

Taken in a manner most favorable to the plaintiff, the affidavits can be construed to indicate that the affiants themselves believe that there is a substantial similarity between the two bodies of works. But the affiants can not substitute their judgment for that of the court with respect to establishing the minimum standard.

Late Filing of the Transcript of the February 21 Hearing

Plaintiff contends that he was prejudiced by his inability to secure a copy of the transcript of the February 21 informal hearing for use in opposition to the defendant's motion for summary judgment. Although some of the same issues that were raised by the defendant's motion for summary judgment were addressed at that informal hearing, the court fails to understand how plaintiff was prejudiced in any way by absence of a transcript. The court made no findings nor rulings at that hearing, but merely gave plaintiff an opportunity to apprise the court of the contours of his case. In this respect, the hearing was akin to a pretrial conference, which is generally conducted off the record. The court provided the services of a reporter for the convenience of the parties, and perhaps out of an abundance of caution.

In any event, nothing said at the February 21 hearing influenced the court's ruling on defendants' motion for summary judgment.

Time Limitations Imposed by the Court on the Hearing on the Motion for Summary Judgment

Plaintiff contends that he was prejudiced by the fact that the court limited the hearing on the motion for summary judgment to an hour and a half. He contends that he was prevented from presenting numerous witnesses and additional documentary evidence in response to the motion.

Again, plaintiff has failed to cite any authority to support his contention that he is entitled to unlimited devotion of the court's time on a motion hearing. Indeed, Local Rule 17(j) of this court provides that the court has discretion to deny oral hearings altogether on such motions.

Further, plaintiff has failed to describe what his witnesses would have testified to, and how their testimony was essential to his response. Indeed, if he sought to introduce testimentary evidence concerning defendants' access to his copyrighted works, that testimony would have been irrelevant, because defendants had conceded that issue for purposes of this

motion. In order to prevail on their motions, defendants had to demonstrate, and did demonstrate, the absence of a genuine issue of material fact concerning substantial similarity, which issue is independent from that of access. If plaintiff sought to introduce additional testimentary evidence that certain persons who viewed both plaintiff's works and defendants' campaigns believed that substantial similarity existed between the two, that testimony would have been irrelevant, for the reasons set forth supra regarding plaintiff's affidavits on this score.

Failure of the Court to Apply the Appropriate Test for Substantial Similarity

Plaintiff relies on the case of Sid & Marty Krofft Television v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977), as he did in his response to the motion for summary judgment, for the proposition that the court must apply an "intrinsic test" to the question of whether or not a substantial similarity exists between the protected expressions of plaintiff's works, and the expressions of defendant's accused works. The Krofft court held that the alternative "extrinsic" test, used to test the similarity between "ideas", which are not protected by the copyright laws, should not be applied to test the similarity of expressions. Id. at 1165.

Plaintiff contends that the court employed the improper extrinsic test, and compared the dissimilarity between constituent elements of the two bodies of works, in reaching its conclusion that substantial similarity was absent. Plaintiff cites to the court's oral ruling on the motion, in which it noted the dissimilarity between the themes of the two bodies of works, and certain physical mediums for expression of those themes, such as hats, t-shirts, and license plates.

The court did indeed draw attention to the dissimilarities between these components of the two bodies of works. In so doing, it did not abandon the intrinsic test espoused by the Krofft court. Indeed, defendants did not challenge the application of Krofft to the facts of this case, and the court adopted the reasoning of that case in analyzing the motion for summary judgment. The court concluded, and indicated in its oral ruling, that there was no substantial similarity between the two bodies of works, taken either as integrated wholes, or as collections of their discrete elements such as the t-shirts, caps, and so on. In so doing, the court found that the defendant did not take

> from plaintiff's works so much of what is pleasing to the eyes and ears of lay persons who comprise the audience for whom such

> popular works are composed, (so) that defendant wrongfully appropriated something which belongs to plaintiff.

Krofft, supra, 562 F.2d at 1165 (citing Arnstein v. Porter, 154 F.2d 464, 472 (2d Cir. 1946), cert. denied, 330 U.S. 851, 67 S.Ct. 1096, 91 L.Ed. 1294 (1947)).

The fact that the two bodies of works were not substantially similar for purposes of the extrinsic test does not lead to the conclusion, either as a matter of logic or under the facts of this case, that those bodies were substantially similar for purposes of the intrinsic test. Indeed, the court found that they were not substantially similar under the intrinsic test.

For all the foregoing reasons, plaintiff's motion for reconsideration is denied.

Plaintiff's Motion to Extend Time to Serve Party Defendants

Plaintiff contends that, upon granting his motion for reconsideration, and reinstating the copyright claims in this case, the court should permit him to serve the amended complaint on the remaining media defendants named in that document who have yet to be served. Plaintiff contends that he has made a substantial showing that he will be prejudiced if he is enjoined from effecting such service.

Because the court continues to believe that the copyright claims are infirm as a matter of law, and that the original defendants were entitled to summary judgment on those claims, the proposed media defendants would have a perfect defense to those claims as well, under the law of the case. Further, plaintiff has made no showing that his non-copyright claims against any of these media entities would be prejudiced by denying him the opportunity to serve those entities at this time. Consequently, the motion is denied.

SO ORDERED.

/s/ CHARLES W. JOINER
HONORABLE CHARLES W. JOINER
U.S. District Judge

Dated: June 5, 1985

ATTACHMENT F

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,

Plaintiffs,

Civil Action No. 84CV-7202AA

vs.

HONORABLE CHARLES W. JOINER

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR,

Defendants.
_____/

ORDER

Defendants have filed a motion for summary judgment in this case, asserting that the plaintiffs have failed to demonstrate the existence of a genuine issue of material fact concerning the substantial similarity between plaintiffs' copyrighted works and defendants' accused works. The motion requests the court to undertake a side-by-side examination of the subject

materials. The motion was previously scheduled for hearing on Tuesday, April 16. In light of the fact that the motion will require an evidentiary hearing, and will not be limited to the oral arguments of the attorneys, the hearing is hereby rescheduled for Wednesday, April 17, at 3:30 p.m.

The court further orders the attorneys for the parties to meet and arrange for the presentation of physical evidence to the court during the hearing on the motion. Attorneys for plaintiffs shall have the responsibility of designating those items that compose Exhibit B to the motion, selected products of defendants' promotional campaign, that allegedly infringe particular copyrighted materials of plaintiffs. Plaintiffs' attorneys should therefore prepare the exhibits in such a manner that the court will best be able to discern any similarity between the copyrighted works and the accused works. All of the physical evidence that the attorneys agree to submit to the court for the hearing on defendants' motion should be brought to the court no later than 5:00 p.m., April 15.

SO ORDERED.

/s/ CHARLES W. JOINER
CHARLES W. JOINER
UNITED STATES DISTRICT JUDGE

Dated: March 26, 1985
Ann Arbor, Michigan

ATTACHMENT G

UNITED STATES DISTRICT COURT
FOR THE
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,

Plaintiffs,

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR,

Defendants.
_____/

No. 84 CV 7202 AA

HONORABLE CHARLES W. JOINER

ORDER

At a session of said Court held in the Courtrooms, City of Ann Arbor, State of Michigan, on the _____ day of April, 1985.

PRESENT: HONORABLE CHARLES W. JOINER, U.S. District Judge

Defendants' Motion for Summary Judgment, having come on for hearing on April 17, 1985, and the parties

being represented by counsel, and the Court, after hearing oral arguments, testimony and reviewing the exhibits presented by both parties;

IT IS HEREBY ORDERED THAT Defendants' Motion for Summary Judgment, be and is hereby granted, for the reasons stated in this Court's Opinion which is incorporated herein by reference.

/s/ CHARLES W. JOINER
HONORABLE CHARLES W. JOINER
U.S. District Judge

ATTACHMENT H

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,

Plaintiffs,

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR, and ROSS ROY, INC.,

Defendants.
_____/

No. 84 CV 7202 AA

HONORABLE CHARLES W. JOINER

ORDER AND JUDGMENT
AS TO THE STATE OF MICHIGAN,
GOVERNOR JAMES J. BLANCHARD,
THE DEPARTMENT OF COMMERCE OF THE STATE
OF MICHIGAN, AND RALPH J. GERSON, DIRECTOR

Plaintiffs brought an original cause of action against the State of Michigan, Governor James J. Blanchard, the Department of Commerce of the State of Michigan, and Ralph J. Gerson, Director (hereinafter

"state defendants"), based on federal law alleging violations of copyright, trademark and Fifth Amendment; and

Plaintiffs sought to have this Court exercise pendent jurisdiction over state claims against state defendants alleging misappropriation of work product, trade secret and unfair competition; and

Plaintiffs removed to this Court the action entitled State of Michigan, et al v The Mihalek Corporation, et al, Livingston County Circuit Court No. 84-7310-CK; and

The state defendants brought various motions in relation to these actions; and

This Court considered the materials submitted by the state defendants, heard oral argument, and being fully advised in the premises; NOW

IT IS ORDERED that, in relation to the original action brought by Plaintiffs against state defendants in this Court on causes of action based on federal law,

1. The Motion For Summary Judgment in favor of state defendants on the copyright count was GRANTED because, as a matter of law, no substantial similarity exists between the protected works and the accused works.

2. The Motion For Summary Judgment in favor of state defendants on the trademark count is GRANTED because as a matter of law there is and can be no

confusion to the general public as to the source and origin of the works.

3. The Motion For Summary Judgment in favor of state defendants on the Fifth Amendment count is GRANTED because there was no taking of Plaintiffs' property.

4. JUDGMENT BE and it hereby is ENTERED in favor of state defendants on all counts setting forth claims based on federal law.

IT IS ORDERED that, in relation to those remaining claims against state defendants in the original action brought in this Court seeking to have this Court exercise pendent jurisdiction against the state, state agencies and state officials in their official capacity, that these remaining claims on the original action brought in this Court are in fact against the State of Michigan, and this Court is barred by the principle of sovereign immunity (11th Amendment) from exercising pendent jurisdiction over these claims, and these claims are DISMISSED WITHOUT PREJUDICE.

IT IS ORDERED that, in relation to the action originated in Livingston County Circuit Court which Plaintiffs (Defendants in the state action) removed to this Court that:

5. The motion by the state defendants for summary judgment on the claims setting forth an action on copyright, for which this Court has original and

exclusive jurisdiction, was GRANTED because as a matter of law, no substantial similarity exists between the protected works and the accused works.

6. JUDGMENT be and it hereby is ENTERED on the federal claims in favor of the state defendants.

7. This Court declines to exercise pendent jurisdiction over claims against state defendants which seek to set forth causes of action under state law, and such remaining claims are REMANDED to the Livingston County Circuit Court.

8. This is a final Judgment and closes the case.

/s/ CHARLES W. JOINER
HONORABLE CHARLES W. JOINER
U.S. District Judge

Dated: November 6, 1985

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION
ANN ARBOR UNIT

THE MIHALEK CORPORATION
and LAWRENCE PATRICK
MIHALEK,

Plaintiffs,

Case Number
84-CV-7202-AA

v.

ROSS ROY, INC.,

Defendant.
_____/

JUDGMENT IN A CIVIL CASE

This action came to hearing before the Court. The issues have been heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED that judgment be and the same is hereby entered in favor of defendant ROSS ROY, INC., and against plaintiffs, THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,

granting defendant's MOTION FOR SUMMARY JUDGMENT in an order dated October 22, 1985.

APPROVED:

/s/ CHARLES W. JOINER
CHARLES W. JOINER
UNITED STATES DISTRICT JUDGE

Dated: Nov. 6, 1985

/s/ ROBERT A. MOSSING
Clerk

/s/ JUDITH M. BIRDSALL
JUDITH M. BIRDSALL
Deputy Clerk

ATTACHMENT I

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK,

Plaintiffs,

Case No. 84-CV-7202-AA

vs.

HONORABLE CHARLES W. JOINER

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR, ROSS ROY, INC.,

Defendants.
_____/

STATE OF MICHIGAN)
) ss
COUNTY OF OAKLAND)

AFFIDAVIT OF LAWRENCE PATRICK MIHALEK

LAWRENCE PATRICK MIHALEK, being duly sworn, deposes and says:

1) That I am the creator of the property generally referred to as the "MICHIGAN IS GOOD NEWS" campaign.

2) That I presented the property of my ideas with notice of my property rights to the following officials of the State of Michigan:

1. Mr. Richard Schlaff, Executive Assistant to the Governor;

2. Mr. Craig Ruff, Executive Assistant to the Lt. Governor;

3. Mr. Frederick P. Dillingham, State Representative 51st District;

4. Mr. William Lukens, Acting Director of the Michigan Department of Commerce;

5. Mr. Dale Arnold, Deputy Director of the Michigan Department of Commerce;

6. Ms. Debi Hart, Special Assistant to the Director of the Michigan Department of Commerce Norton L. Berman;

7. Mr. Jack S. Wilson, Director of the Michigan Travel Bureau;

8. Mr. Bruce E. McComb, Deputy Director of the Michigan Travel Bureau;

9. Mr. John S. Staples, Contract Director of the Michigan Department of Commerce;

10. Mr. Gerald Williams, Director of Office of Management Practices;

11. Mr. Robert J. Scott, Director, Office of Film & Television Services, Department of Commerce;

12. Mr. Richard Lehman, Chief, Information and Education Division, Department of Natural Resources;

13. Ms. Margaret McCall, Chief-Communications Office, Department of Agriculture;

14. Mr. Jerry Dunn, Information Specialist, Communication Office, Department of Agriculture.

3) The following officials of the State of Michigan viewed my property at my residence and Corporate Headquarters in Brighton, Michigan:

1. Frederick P. Dillingham, State Representative 51st District, State of Michigan (twice);

2. Mr. Craig Ruff, Executive Assistant to Lt. Governor;

3. Mr. Dale Arnold, Deputy Director and Project Manager of the Development of the State of Michigan Advertising Campaign, Department of Commerce (see Exhibit A);

4. Ms. Debi Hart, Special Assistant to the Director of Michigan Department of Commerce;

5. Mr. Robert J. Scott, Director, Office of Film & Television Services, Michigan Department of Commerce;

6. Mr. Richard Lehman, Chief, Information and Education Division, Department of Natural Resources;

7. Mr. Jerry Dunn, Information Specialist, Communication Office, Michigan Department of Agriculture;

8. Ms. Margaret McCall, Chief Communications Office, Michigan Department of Agriculture;

9. Mr. Jack S. Wilson, Director, Michigan Travel Bureau, Michigan Department of Commerce;

10. Mr. Bruce E. McComb, Deputy Director, Michigan Travel Bureau, Michigan Department of Commerce.

4) That I am in receipt of a letter dated September 3, 1981 to the Honorable William G. Milliken from Frederick P. Dillingham (see Exhibit B).

5) I did not know nor did officials of the State of Michigan tell me that they were developing a new advertising and promotional campaign at the same time I was presenting my property to them. Had I known before-hand I would have not given them access to my property.

6) That upon my discovery that officials of the State of Michigan who had access to my property had hired a firm to develop a new advertising and promotional campaign, I immediately sought legal advice and wrote a letter to the Honorable William G. Milliken, dated September 28, 1981, which I hand delivered to the Governor's secretary (see Exhibit C).

7) That I received via United States Mail a letter dated September 29, 1981 from Governor William G. Milliken which directed me to work with Mr. Dale Arnold of the Department of Commerce and that it was

important that I keep them fully informed of my efforts (see Exhibit D).

8) That it was implied to me by Mr. Richard Schlaff, Executive Assistant to the Governor, Mr. Craig Ruff, Executive Assistant to the Lt. Governor, Frederick P. Dillingham, State Representative 51st District and Mr. Jack S. Wilson, Director of the Michigan Travel Bureau, Michigan Department of Commerce that I would receive a contract to become the instate promotional component of the "SAY YES TO MICHIGAN" campaign upon the funding by the Michigan Legislature. I would have not continued to give officials of the State of Michigan access to my property had I known that I would not be compensated.

9) I did not receive a contract from the State of Michigan after the funding by the Michigan Legislature.

10) I was told by Mr. Robert J. Scott, Director, Office of Film & Television Services, Michigan Department of Commerce, on or about November, 1981, that Mr. Norton L. Berman, director of the Michigan Department of Commerce "just warmed over" my concept.

11) I was told by Mr. Richard Lehman, Chief, Information and Education Division, Michigan Department of Natural Resources that the Michigan Department of Commerce was "plagiarizing" my ideas, in

meetings he was attending during the development of the "SAY YES TO MICHIGAN" campaign.

12) I was told by Mr. John Staples, Director of Contracts of the Michigan Department of Commerce, that he noticed similarity of my ideas in meetings he attended with officials of the Michigan Department of Commerce during their planning meetings.

13) I told Mr. Richard Schlaff, Executive Assistant to the Governor of the events as above described in Paragraphs 10, 11, and 12 and he told me to follow the Governor's letter as described in Paragraph 7.

14) That I presented a concept capable of pulling together both the public and private sectors of the State of Michigan in a very positive promotion of Michigan's economy to Michigan Officials.

That the State of Michigan used a concept of pulling together both the public and private sectors of the State of Michigan in a very positive promotion of Michigan's economy.

15) That I presented a series of illustrations of ideas which presented Michigan with a new and improved image as a good place to belong, live, work, go to school, do business and take a fun/rewarding vacation to Michigan Officials.

That the State of Michigan used a series of illustrations of ideas which presented Michigan with a

new and improved image as a place to live, work, vacation and conduct business.

16) That I presented a series of illustrations of ideas which demonstrated the use of an umbrella marketing and promotion approach that all State agencies, business organizations, associations, special singular interest groups and the Michigan State Legislature could support to Michigan Officials.

That the State of Michigan used a series of illustrations of ideas which demonstrated the use of an umbrella marketing and promotion approach that all State agencies, business organizations, associations, special singular interest groups and the Michigan State Legislature could support.

This information of the illustration of my concepts and ideas as above described was transmitted by Mr. Jack S. Wilson to the firm under contract (see Exhibit E), to develop a new advertising and promotional campaign.

17) That I presented a series of illustrations of ideas to Michigan Officials which the State of Michigan examples of which were used as follows:

1. Hats (Exhibits F & G)
2. T-Shirts (Exhibit H)
3. License Plates (Exhibit I)
4. Promotion of Michigan Products and Services (Exhibit J)

5. Telephone Company (Exhibit K)

6. Robot (Exhibit L)

7. Travel Display (Exhibit M)

8. Bumper Stickers

9. Mugs

18) That I delivered to the United States District Court for the Eastern District of Michigan, Southern Division, Ann Arbor, Michigan, to the chambers of the Honorable Charles W. Joiner, on April 15, 1985, numerous documents which showed the illustrations of the use of my ideas by the State of Michigan.

19) That I have not been compensated by the State of Michigan or any of its vendors nor did I receive any public credit by the State of Michigan for the use of my property.

20) That I did not give permission for the State of Michigan to use my private property and that I have and continue to suffer great irreparable harm because I have no control of the use of my private property by the State of Michigan and because I have not received just compensation.

21) That I am competent and stand ready to testify.

AND FURTHER this Deponent says not.

/s/ LAWRENCE PATRICK MIHALEK
LAWRENCE PATRICK MIHALEK

SUBSCRIBED AND SWORN TO before me this 23rd day of September, 1985.

/s/ JANICE E. BURKHARDT
JANICE E. BURKHARDT
Notary Public, Macomb County, MI
My Commission Expires Sept. 10, 1986
Acting in Oakland County

SEAL

ATTACHMENT I, EXHIBIT A

THE MIHALEK CORPORATION, Lawrence Patrick Mihalek and James M. Deimen,

Defendants.
_____/

AFFIDAVIT OF DALE J. ARNOLD

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

I, DALE J. ARNOLD, being duly sworn, depose and state:

1. I am a public affairs officer of the Department of Commerce and I have held that position since December, 1983.

2. From June, 1981, until December, 1983, I was Deputy Director, Public Affairs, of the Department of Commerce and as such, was responsible for helping administer the planning and initial execution of the State's promotional campaign called Say Yes to Michigan.

3. I attended a presentation staged in the basement of Lawrence Patrick Mihalek, in late 1981, in which Mr. Mihalek described ideas for a Good News promotion of the State, based primarily on display

modules erected in shopping malls to cite facts about state government agencies' services to Michigan citizens.

4. I have reviewed U.S. copyright materials provided me by the Michigan Attorney General's office relating to the promotional program.

5. Only a portion of this material was involved in the 1981 presentation in Brighton. I took no notes on the presentation and had no written materials from the meeting and so my statement here is based on memory of that occasion three years ago.

/s/ DALE J. ARNOLD
Dale J. Arnold
Michigan Department of Commerce

Subscribed and sworn to before me
this 24th day of October, 1984

/s/ DeLYNN M. KENDZIORSKI (PETTIT)
DeLynn M. Kendziorski (Pettit)
Notary Public, Delta County, Michigan
Acting in Ingham County, Michigan
My Commission Expires November 12, 1985.

ATTACHMENT I, EXHIBIT B

HOUSE OF REPRESENTATIVES
LANSING, MICHIGAN

51ST DISTRICT
FREDERICK P. DILLINGHAM
OFFICE THE STATE CAPITOL
LANSING, MICHIGAN 48909

124 BENJAMIN STREET
FOWLERVILLE, MICHIGAN 48836

September 3, 1981

The Honorable William G. Milliken
Governor, State of Michigan
Executive Office
State Capitol
Lansing, Michigan 48909

Dear Governor Milliken:

I am writing to you on behalf, and in support of, L. Patrick Mihalek of Brighton who has developed a Michigan promotional concept entitled, Michigan is "Good News." I have personally reviewed this concept on two different occasions and I feel it has a great deal of merit.

This concept is capable of pulling together both the public and private sectors of our state in a very positive promotion of Michigan's economy. Mr. Mihalek has done extensive research of every promotional aspect of state government, and his idea demonstrates and coordinates both the private and public sector in a manner that I feel will create a public feeling that Michigan is not "doom and gloom," but that we are a state with pride and

resources far exceeding other areas of the country. This concept has also been viewed by key people within state government and it is my understanding that they are equally impressed.

I feel this program must be viewed by you personally, and I am requesting an hour appointment with Mr. Mihalek and myself to present his idea to you for your personal evaluation as soon as possible.

Thank you in advance for your kind consideration of this extremely important matter.

Sincerely,

/s/ FREDERICK P. DILLINGHAM
FREDERICK P. DILLINGHAM
State Representative

FPD/gs

ATTACHMENT I, EXHIBIT C

THE MIHALEK CORPORATION™
"Results in Promotions"

Patrick Mihalek
President

HAND DELIVERED TO
GOVERNOR'S SECRETARY

September 28, 1981

The Honorable William G. Milliken
Governor, State of Michigan
Executive Office
State Capitol
Lansing, Michigan 48909

Dear Governor Milliken:

Looking forward to hearing some "good news" from you, at our up and coming meeting, that your "Good News™" hat and shirt were the right size.

I was extremely impressed with your address to the joint session of the Legislature on September 17, 1981. The most salient points of your speech involved your ideas that, "There are many 'good news' stories about Michigan's economy" and "I propose that we tell the world about Michigan." I totally agree with your approach that this potential "Good News™" about Michigan will have a lasting impact on the attitudes, images and rewards that people of the world perceive Michigan to be. I was pleasantly surprised that we both arrived at the same

conclusion and philosophy without having any direct communication between us.

I also believe that the bonding agent that will bring about the new "Michigan Momentum" was summarized in your statement that, "The question is not whether one side or another can come out on top in a series of self-serving maneuverings. Rather, it is whether we can rise above all other considerations to work together toward a common goal."

I want to take this opportunity to "Thank" your staff and the hundreds of State of Michigan's employees from department heads to secretaries that worked with me in the developing stages of the "Good News™ is Michigan" project. These people have spent hundreds of combined man hours of effort, talent, and support in supplying and researching volumes of information about Michigan over the past twelve months.

I wish you would personally "Thank" Mr. Richard Schlaff for his sincere cooperation, understanding, guidance and moral support during this time period. His "You can make it attitude" is a positive asset to your staff.

A "Thank You" to State Representative Fred Dillingham for his eight months of active support. He was a guiding force for setting meetings up in his office and at my personal residence in Brighton, Michigan with key people in our State Government. (See attachment for list of names) These meetings were for the purpose of presenting the total knowledge of the idea from philosophy, concept, research, development, implementation procedures, and projected result of the "Good News™ is Michigan" promotional program. This people participation promotion communicates and educates the world about Michigan's positive assets and advantages.

A "Thanks" to over 3,000 citizens of Our Great State of Michigan who shared with me their attitudes and desires about Michigan.

A "Thanks" to the people of Indiana and Ohio for their impressions about Michigan.

A "Thanks" to my family, friends, neighbors, and business associates who have supported me from day one through completion of my original idea called "Good News™ is Michigan".

Governor Milliken, I wish you would "Today", give a special "Thank You" to Mr. Robert Law for his cooperation and support for trying to untangle a system oversight that has put a temporary hold on a special request addressed to you, from State Representative Fred Dillingham dated September 3, 1981, and supported by a memo from the Lt. Governor's Office. However, this three and one-half weeks of oversight has been used to build additional positive potential private sector support of over one-half million dollars.

Before I close this letter, I would like to state that it is my belief that the same "Michigan Spirit" that put the "World on Wheels", supplied the "Arsenal of Strength" during World War II, will surface again to meet the challenges and demands of the 1980's. This "Innovative Michigan Spirit" has been a long time tradition of Michigan, because Michigan's greatest assets are its people.

It is with this "Michigan Spirit" that I, as a Michigan citizen, have spent one year full time, over 3,500 personal man-hours, 122 trips to Lansing, hundreds of telephone calls through our State gathering information and support, and personal out-of-pocket expenses of $74,231.00 in the development of this project called "Good News™ is Michigan".

I now need your knowledge, support and action!

Thank you in advance for your valuable time in handling this important matter and for scheduling a meeting between us in your busy schedule as soon as possible.

Sincerely,

/s/ L. PATRICK MIHALEK
L. Patrick Mihalek

/s/ ROBERT C. KLINE
ROBERT C. KLINE
Notary Public, Livingston County, Michigan
My Commission Expires October 15, 1984

Attachment

ATTACHMENT

The following people viewed the project at my personal residence in Brighton.

Mr. Frederick P. Dillingham, State Representative 51st District
Mr. Craig Ruff, Executive Assistant to Lt. Governor
Mr. Dale Arnold, Deputy Director-Department of Commerce
Ms. Debi Hart, Special Assistant to the Director of Department of Commerce
Mr. Robert J. Scott, Director, Office of Film & Television Services, Department of Commerce
Mr. Richard Lehman, Chief, Information and Education Division, Department of Natural Resources
Ms. Margaret McCall, Chief-Communications Office, Department of Agriculture
Mr. Jerry Dunn, Information Specialist, Communication Office, Department of Agriculture

One of the key meetings in Mr. Dillingham's office was held in the month of May, and the following people were in attendance.

Mr. Frederick P. Dillingham, State Representative 51st District
Mr. William Lukens, in his capacity as the Acting Director of Commerce
Mr. Craig Ruff, Executive Assistant to Lt. Governor
Mr. L. Patrick Mihalek, President, The Mihalek Corporation

/s/ L. PATRICK MIHALEK

/s/ ROBERT C. KLINE
ROBERT C. KLINE
Notary Public, Livingston County, Michigan
My Commission Expires October 15, 1984

ATTACHMENT I, EXHIBIT D

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

WILLIAM G. MILLIKEN
Governor

September 29, 1981

Mr. L. Patrick Mihalek
President
The Mihalek Corporation
P. O. Box 5148
Dearborn, Michigan 48128

Dear Mr. Mihalek:

I appreciate the time and effort you have put into your project promoting the good things about Michigan. I know that you have patiently sought a meeting with me in order to present your proposal. I regret that with the legislative session and development of our economic recovery proposal I simply have not had the opportunity to see you.

Because of the many demands on my schedule in the coming weeks, I think it would be best if you were to continue to work with Mr. Dale Arnold of the Department of Commerce. As you know, I am recommending a substantial increase in state funding for the promotion of Michigan. After discussions with a professional consulting firm, the Department of Commerce will be recommending to me a comprehensive plan for promoting Michigan. I will be relying heavily on their advice and expertise. It is important, therefore, that you keep them fully informed of your efforts.

Again, I regret that we could not personally discuss your promotional program.

Kind personal regards.

Sincerely,

/s/ WILLIAM G. MILLIKEN
Governor

ATTACHMENT I, EXHIBIT E

MARKETING MICHIGAN

Present Situation

1) A growing number of residents, businesses, organizations, state agency personnel are tired of always hearing "bad news" about Michigan. Those who have and continue to make a commitment to live and work or do business in Michigan want and need psychological reinforcement for their decision to stay here.

2) The state desperately needs a "good news" story.

3) If properly developed and presented, the business community, the legislature, the media and state agencies would gladly join a "good news" promotional effort.

4) Immediate action is needed — not a several month research and planning effort.

Objectives

1) To generate a new and improved image for Michigan as a place to live, work, do business and vacation.

2) To develop an umbrella marketing and promotion approach that all state agencies, business,

organizations and groups, and the legislature can support, be a part of, and feel good about.

3) To secure immediate broad based support for the umbrella approach including:

- Private sector cooperation and participation.
- Media support and participation.
- Legislative support, participation, and funding.
- State agency support and cooperation.
- Public support.

Strategy and Plan

1) Use tourism as basis for good news story — it's one of the best things the state has going for it right now.

2) Develop new promotional theme and action plan.

- Directly involve wide variety (200-300) people (small businesses, big businesses, tourism businesses, media and key legislators).
- Non-partisan approach necessary.
- Use consultants as facilitators and communicators to work with structured discussion groups. The groups would be responsible for identifying:

° positive attributes of Michigan.

° alternative promotion themes (3-5)

- Research would be used to test (instate and out of state) reaction to theme alternatives. The groups would review the result of the research and select a final concensus theme.

3) Timing

- Have theme and immediate steps that can be taken, ready to go by September 15th and implement at that time to build momentum and get the program going before it becomes too politically sensitive.

- Complete other aspects of plan as needed for major 1982 warm weather campaign.

- Use momentum, private sector and legislative involvement to encourage legislative action on funding.

4) Most Critical Part of Strategy

- Obtain broad based involvement including legislature and key opinion leaders from business, industry and the media from start. This will produce a wide spread feeling of being part of something positive and develop commitment to fully implementing the program.

- Take advantage of present desire for good news — act now.

- Major personal involvement by Governor to secure commitment and cooperation of opinion leaders of state.

(initially by Jack Wilson - 7/20/81)

ATTACHMENTS F THROUGH M

Note: Exhibits F through M (pictures) not included in bound petition at suggestion of Chief Deputy Clerk of the Supreme Court. See original record.

Supreme Court, U.S.
FILED
OCT 29 1987
JOSEPH F. SPANIOL, JR.
CLERK

No. 87-674

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1987

THE MIHALEK CORPORATION AND LAWRENCE PATRICK MIHALEK, Petitioners

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, Director, ROSS ROY, INC., Respondents

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SUPPLEMENTAL BRIEF
RULE 22.6

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

James M. Deimen, Ph.D., J.D.
Counsel of Record for Petitioners
Patent, Trademark and Copyright Attorney
Professional Engineer
Burlington Office Center, Suite Two
325 East Eisenhower Parkway
Ann Arbor, Michigan 48108-3397
(313) 994-5947

QUESTIONS PRESENTED

1. Are a State of the United States, its political subdivisions, their employees, officers and officials, when sued for money damages and injunctive relief for copyright infringement in violation of the Copyright Act of 1976, entitled to immunity under the Eleventh Amendment to the United States Constitution?

2. Are intellectual property rights considered a property under the Fifth Amendment taking clause of the United States Constitution?

3. What are the standards of the tests for copyright infringement, the taking of intellectual property under the Fifth Amendment and false designation of origin, section 43(a) of the Lanham Act (15 U.S.C. 1125(a)), involving a State of the United States, its political subdivisions, and their employees, officers and officials?

TABLE OF AUTHORITIES

Cases

	Page
Anderson v. Liberty Lobby, Inc. ____ U.S. ____, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986)	10,11
Mihalek Corp. et al. v. Michigan, et al., 595 F. Supp. 903 (E.D. Mich 1984), 630 F. Supp. 9 (E.D. Mich 1985), 814 F.2d 290 (6th Cir. 1987), Supreme Court Docket Number _____	2,3,4,7, 8,10
Perry v. Sindermann, 408 U.S. 593, 33 L.Ed.2d 570, 92 S. Ct. 2694 (1972)	11
Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977)	3,11
Williams v. Baxter, 812 F.2d 421 (CA 9, 1987) 2 USPQ2d 1059, Supreme Court Docket Number 87-491.....	2,3,4,5,7 9,10,11

Statutes:

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Rules:

Rule 56, Rules of Civil Procedure	3,10

No. _____

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1987

THE MIHALEK CORPORATION AND LAWRENCE PATRICK MIHALEK, Petitioners

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, Director, ROSS ROY, INC., Respondents

---

SUPPLEMENTAL BRIEF
RULE 22.6

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

Pursuant to Supreme Court Rule 22.6, counsel requests consideration of the following Supplemental Brief. On October 22, 1987, counsel discovered a case

entitled Williams v Baxter (hereinafter called Baxter), 812 F2d 421 (CA 9, 1987), 2 USPQ2d 1059, Supreme Court Docket Number 87-491, as cited in The United States Law Week, Supreme Court Proceedings, Volume 56, Number 14, page 56LW 3271, dated October 13, 1987. The Baxter petition for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit was filed with this Court on September 19, 1987. It appears to raise the important federal question of the proper substantial similarity test for copyright infringement (Copyright Act 17 U.S.C.) to be applied to a motion for summary judgment pursuant to Federal Rule of Civil Procedure 56.

In Mihalek Corp. et al. v Michigan et al. (hereinafter called Mihalek), 595 F. Supp. 903 (E.D. Mich 1984), 630 F. Supp. 9 (E.D. Mich 1985), 814 F.2d 290 (6th Cir. 1987), Supreme Court Docket Number _____, filed September 6, 1987, there is a direct conflict with the Baxter case. This conflict between the decisions of the Sixth Circuit and the Ninth Circuit, in the Mihalek and

Baxter cases, involves the test of whether or not the granting or denying of a motion for summary judgment under Rule 56 depends upon the response of the District Court Judge or the response of an ordinary lay person to the evidence.

Both the Mihalek and Baxter cases are "on all fours" involving the following:

1) both cases relied on Sid & Marty Krofft Television Productions, Inc. v McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977) as the controlling authority;

2) both cases exhibit duly registered and owned copyrights;

3) in both cases access was established and admitted by defendants;

4) in both cases the general ideas were substantially similar.

In the Baxter case, the Ninth Circuit reversed the District Court's summary judgment and remanded for trial not inconsistent with its opinion. In the Mihalek case, the Sixth Circuit affirmed the District Court's summary judgment.

The major difference in the Mihalek and Baxter cases, if any, is that Mihalek presented nine affidavits of "average lay observers" and the proposed testimony of an additional twelve witnesses in Mihalek's unsuccessful attempt to defeat Respondent's motion for summary judgment. In the Baxter case, Baxter argued that he should have been permitted to prove copyright infringement by way of expert testimony, see Baxter, 424 (footnote 2). Baxter defeated the motion for summary judgment apparently without the assistance of average lay observers.

In addition, in the Mihalek case there was also exhibited the direct copying of the document under copyright registration number TXu-139-833. The document was presented to the District Court six times during briefing and oral argument and eight times to the Court of Appeals. By definition, the copies are not only substantially similar, they are identical. It should be noted that in the Mihalek case, there are four copyright registrations involved, copyright registration numbers

TXu 139-832, Txu 139-833, PAu 557-097 and VAu 53-133. These registrations of copyright represent approximately 110 works, which were formed into a collective package exhibiting the factual narration, structuring of material and the marshaling of facts telling the promotional story about the State of Michigan. In the Baxter case, there appears to be only one copyright registration involved. See Baxter, page 422, footnote 1.

This conflict between the two circuits as a matter of law and involving a substantial federal question (Supreme Court Rule 17.1a, c) is clear as follows:

Baxter, 812 F.2d 421, 424 (9th Cir. 1987)

> ". . .Summary judgment cannot be granted if there exists a genuine dispute as to a material fact. Fed.R.Civ.P. 56(c). Rule 56 calls for the judge to determine whether there exists a genuine issue for trial, not to weigh the evidence himself and determine the truth of the matter. See Anderson v Liberty Lobby, Inc., ____ U.S. ____, 106 S.Ct. 2505, 2516, 91 L.Ed.2d 202 (1986). The nonmoving party must present evidence sufficient to require a jury or judge to resolve the parties' differing versions of the truth at trial. First National Bank of Arizona v Cities Service Co., 391 U.S. 253, 288-289, 88 S. Ct. 1575, 1592, 20 L.Ed.2d

569 (1968). Inferences to be drawn from facts contained in the moving party's papers are to be viewed by the district court in the light most favorable to the non-moving party. See Adickes v S.H. Kress & Co., 398 U.S. 144, 90 S.Ct. 1598, 26 L.Ed.2d 142 (1970). Weighing evidence, determining credibility, and drawing inferences from facts remain jury functions which may not be undertaken by the trial judge. See Anderson, 106 S.Ct. at 2513.

Determinations of substantial similarity of expression are subtle and complex. The test to be applied has been labeled an "intrinsic" one by this Court in that it depends not upon external criteria, but instead upon the response of the ordinary reasonable person to the works. Krofft, 562 F.2d at 1164. "Analytic dissection" and expert testimony are not called for; the gauge of substantial similarity is the response of the ordinary lay hearer. Id., quoting Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946), cert. denied, 330 U.S. 851, 67 S.Ct. 1096, 91 L.Ed. 1294 (1946). Accordingly, in Krofft, this court rejected extrinsic analysis of similarities and difference among characters in plaintiff's television show and defendants' TV commercials, in favor of asking whether the defendants' works captured the total concept and feel of plaintiffs' works. Krofft, 562 F.2d at 1167. See also Berkic, 761 F.2d at 1292; Litchfield v. Spielberg, 736 F.2d 1352, 1357 (9th Cir. 1984), cert. denied, 470 U.S. 1052, 105 S.Ct. 1753, 84 L.Ed.2d 817 (1985); Overman v. Universal City Studios, Inc., 605 F.Supp. 350, 353 (C.D.Cal. 1984), aff'd mem. 767 F.2d 933 (9th Cir. 1985). . .." (Emphasis added).

and in Mihalek, 814 F.2d 290, 294 (6th Cir. 1987)

> ". . .In this case the works, materials and expressions of Mihalek as compared with those utilized in the State's campaign are crucial and determinative, not the opinions of lay observers, who have made no careful determinations of the entire concepts involved.[2] See Wickham, 739 F.2d at 1097; Decorative Aides Corp. v. Staple Sewing Aides Corp., 497 F.Supp. 154, 157 (S.D.N.Y. 1980), aff'd mem., 657 F.2d 262 (2d Cir. 1981); Clarke, 472 F.Supp. at 482. All this pertinent evidence was before the district court to be examined as to the materials in dispute. We are unable to say the materials raised a genuine issue of material fact as to substantial similarity, even giving plaintiffs the benefit of all favorable inferences to be drawn. . ..
>
> . . .The fact that plaintiffs envisioned a promotional campaign featuring the use of tee shirts, hats, slogans, pictures, and promotional events, and that the campaigns utilized by the State of Michigan incorporated these generally universal ideas, among many many other devices, in a public relations program to spotlight affirmative things about the State of Michigan is not any indication of similarity where the individual clothing items, slogans, pictures and events were substantially different. . .." (Emphasis added.)

and in Baxter, 812 F.2d 421, 424 (9th Cir. 1987)

> ". . .Accordingly, in Krofft, this court rejected extrinsic analysis of similarities and difference among characters in plaintiff's television show and defendants' TV

commercials, in favor of asking whether the defendants' works captured the total concept and feel of plaintiffs' works. Krofft, 562 F.2d at 1167. . .." (Emphasis added.)

and in Mihalek, 630 F.Supp. 9, 14, 15 (E.D. Mich 1984)

". . .As the court's ruling on the motion for summary judgment indicates, the court further found that there could be no genuine question of material fact on this issue.

In coming to this conclusion, the court did not and could not take into consideration the affidavits filed by plaintiff, representing the conclusions of purported average lay observers, that the two sets of works were substantially similar. . ..

. . .Finally and most fundamentally, the affidavits are an irrelevant form of evidence for the purposes of the issue presented by the defendant's motion. As indicated above, the question of whether or not there exists a genuine question of material fact with respect to the issue of substantial similarity is one of law for the court. The proper inquiry is whether or not a hypothetical jury, impaneled in this case and presented with plaintiff's proofs of infringement, could reasonably conclude that the two sets of works were substantially similar. The court must, in effect, set the minimum legal standard for submission of the case for jury deliberation.

Taken in a manner most favorable to the plaintiff, the affidavits can be construed to indicate that the affiants themselves believe that there is a substantial similarity between the two bodies of works. But the affiants can not substitute their judgment for that of the court with respect to establishing the minimum standard. . .at 14.

. . .If plaintiff sought to introduce additional testimentary evidence that certain persons who viewed both plaintiff's works and defendants' campaigns believed that substantial similarity existed between the two, that testimony would have been irrelevant, for the reasons set forth supra regarding plaintiff's affidavits on this score. . .at 15.

. . .In so doing, the court found that the defendant did not take

> from plaintiff's works so much of what is pleasing to the eyes and ears of lay persons who comprise the audience for whom such popular works are composed, (so) that defendant wrongfully appropriated something which belongs to plaintiff. . .at 15." (Emphasis added).

and in Baxter, 812 F.2d 421, 424 (9th Cir. 1987)

". . .the gauge of substantial similarity is the response of the ordinary lay hearer. Id., quoting Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946), cert. denied, 330 U.S. 851, 67 S.Ct. 1096, 91 L.Ed. 1294 (1946). . .." (Emphasis added.)

It is Mihalek's position that the minimum legal standards are set by Rule 56 of the Federal Rules of Civil Procedure. The standards are clearly reaffirmed in Anderson v. Liberty Lobby, Inc., ____ U.S. ____, 106 S.Ct. 2505, 2516, 91 L.Ed.2d 202 (1986) and Baxter. Summary judgment in the Mihalek case is therefore not in accord with established law.

CONCLUSION

A review of the complete record by this Court will confirm that Mihalek has not been decided by the lower courts in accordance with established law. This counsel on October 14, 1987, requested the entire record be certified and transmitted, pursuant to Supreme Court Rule 19.1. The petition for a writ of certiorari should be granted for briefing and oral argument for reasons of substantial federal questions of public importance and ongoing conflicts among the various circuits on the Questions Presented by the Mihalek Petition.

In the alternative the Mihalek petition should be granted and simultaneously a Writ of Mandamus to the United States Court of Appeals for the Sixth Circuit issued ordering decision on the First Question presented (Eleventh Amendment) in ninety days (already briefed and argued). And by Summary Action reverse and remand back to the District Court for trial not inconsistent with Anderson v. Liberty Lobby, Inc., supra, Baxter, supra, Krofft, supra and Perry v. Sindermann, 408 U.S. 593, 33 L.Ed.2d 570, 92 S.Ct. 2694 (1972) the summary judgment dispositions raised in the Second and Third Questions presented in the Mihalek petition.

October 29, 1987 Respectfully submitted,

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No. 87-674

In The

Supreme Court of the United States

October Term, 1987

THE MIHALEK CORPORATION
and LAWRENCE PATRICK MIHALEK,

Petitioners,

vs.

THE STATE OF MICHIGAN,
GOVERNOR JAMES J. BLANCHARD,
THE DEPARTMENT OF COMMERCE OF THE
STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR,
and ROSS ROY, INC.,

Respondents.

BRIEF IN OPPOSITION

TO PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS FOR THE
SIXTH CIRCUIT ON BEHALF OF RESPONDENT, ROSS ROY, INC.

VANDEVEER, GARZIA, TONKIN, KERR,
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THE MIHALEK CORPORATION
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vs. *Petitioners,*

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BRIEF IN OPPOSITION
TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT ON BEHALF OF RESPONDENT, ROSS ROY, INC.

COUNTER-STATEMENT OF THE CASE

Petitioners' statement of the case contains some inaccuracies and omits every fact unfavorable to petitioners, which constitutes a considerable body of information indeed. Respondent Ross Roy, Inc. believes that all facts relevant to a disposition of this appeal may be found in an objective form in the opinion of the lower court in *Mihalek Corporation* v *State of Michigan*, 814 F 2d 290 (Ca 6, 1987).

RULE 28.1 STATEMENT

Ross Roy, Inc. has one parent:

Ross Roy Group, Inc.

Ross Roy, Inc.'s affiliates are:

Calet, Hirsch & Spector, Inc.; Di Iorio, Wergelis, Inc.; Griswold, Inc.; Gray & Kilgore, Inc.; Ross Roy of Canada, Ltd.

SUMMARY OF ARGUMENT

Certiorari should not be granted in this case, because the Court of Appeals made its determination based upon well-established principles of copyright infringement and trademark violation law. This case, therefore, does not present this Court with any special and important reasons for granting review.

Further, the Court of Appeals was clearly correct in the result achieved. Both the trial court and the Court of Appeals conducted a careful examination of Mihalek's copyrighted material, compared that material to respondent's work product, and found no substantial similarity in the products. This finding was fatal to petitioners' claims for copyright infringement and trademark violation.

Respondent Ross Roy will address only two issues raised by petitioners — whether summary judgment was properly granted as to the copyright infringement count and whether summary judgment was properly granted as to the trademark violation count. The remaining issues relate exclusively to the governmental respondents and Ross Roy is confident that these issues will be adequately and thoroughly addressed in their response to the petition for writ of certiorari.

ARGUMENT

I.

THE WRIT SHOULD NOT BE GRANTED BECAUSE THERE ARE NO SPECIAL AND IMPORTANT REASONS FOR GRANTING THE WRIT.

A. The Trial Court Correctly Granted Summary Judgment For Respondents On Petitioners' Copyright Claims.

Apart from simply being in the right, there is nothing more helpful to an appellate practitioner defending a lower court decision than a good lower court decision. This writer and his client are fortunate indeed to be in a position to defend the unamimous opinion of the Court of Appeals as authored by Circuit Judge Wellford.

The Court of Appeals recognized the proper standard for adjudicating a summary judgment motion in copyright cases, per *Wickham* v *Knoxville International Energy Exposition, Inc.*, 739 F 2d 1094 (Ca 6, 1984). It concisely and accurately reviewed and applied the law governing copyright protection, with particular regard to the substantial similarity requirement. Finally, it conducted a thorough examination of the exhibits viewed by the trial court, and made an independent determination that, as a matter of law, an average reasonable lay person could not find substantial or sufficient similarity to establish copyright infringement.

To demonstrate infringement, a plaintiff must establish ownership of the copyright and copying by the defendant. *Reyhner* v *Children's Television Work Shop*, 533 F 2d 87 (Ca 2, 1976). The element of copying may be demonstrated by circumstantial evidence consisting of access to the copyrighted work and substantial simi-

larities to the protectable material in the two works. *Reyhner, supra,* citing *Arnstein* v *Porter,* 154 F 2d 464 (Ca 2, 1946). In this case, the courts below conducted thorough comparative examinations of Mihalek's works and those independently created by a professional public relations firm and ultimately used by the State. Both courts found as a matter of law substantial similarity did not exist.

Although petitioners argue that summary judgment based upon absence of actionable similarity should not be freely granted, a trial court has the ability to grant such a judgment where after comparing the two works it determines "that as a matter of law a trier of fact would not be permitted to find substantial similarity." *Wickham, supra,* p 1097.

In *Reyhner* for example, the appellate court affirmed a trial court's finding that two folk stories were not substantially similar. Although both stories contained similar events, they were not similar in "mood, details or characterization." *Reyhner, supra,* p 92. Both stories therefore contained only the same idea, not the same expression of the idea, and only the latter is deserving of protection against infringement. *Reyhner, supra,* p 90, citing *Mazer* v *Stein,* 347 US 201, 217; 74 S Ct 460; 98 L Ed 630 (1954). This Court, by the way, declined to review the *Reyhner* decision at 429 US 980; 97 S Ct 492; 50 L Ed 2d 588 (1976).

In *Wickham,* the court also affirmed a grant of summary judgment based upon absence of actionable similarity. The defendant had developed a design for a building it called a sun sphere, which essentially consisted of a sphere sitting atop a tower which in turn sprung from a squat base. The plaintiff maintained that these designs infringed upon two copyrighted drawings,

both of which also featured spherical or saucer-shaped objects mounted on towers.

Both the trial court and the Court of Appeals found that the concept of a tower-mounted structure was only an "idea," which was not copyrightable. Additionally, the two courts found sufficient structural differences in the buildings to declare, as a matter of law, that no question of substantial similarity existed. See *Wickham, supra,* pp 1096-1097.

The decision of the Sixth Circuit in this case is perfectly consistent with those in *Wickham* and *Reyhner.* The court found that Mihalek's concept to use T-shirts, hats, and slogans to promote Michigan, as the State of Michigan ultimately did, was not "any indication of similarity where the individual clothing items, slogans, pictures and events were substantially different." *Mihalek Corporation* v *State of Michigan,* 814 F 2d 290, 294-295 (Ca 6, 1987). In other words, the use of these common devices in a promotional campaign was merely an idea; the expressions of the ideas, comparatively viewed by both the trial court and Court of Appeals, were obviously and substantially different.

Petitioners maintain on appeal that the trial court should not have granted summary judgment because petitioners were able to produce affidavits from "lay observers," who opined that the works were similar. The court below rejected the argument that the affidavits were relevant:

> "In this case the works, materials, and expressions of Mihalek as compared with those utilized in the state's campaign are crucial determinative, not the opinions of lay observers, who have made no careful determinations of the entire concept involved." *Mihalek Corp., supra,* p 294, citations and footnote omitted.

Indeed, there was a prohibitive possibility that the lay observers, not having been instructed in the relevant law, would not recognize what constituted unprotected "ideas" as opposed to protected expressions of ideas. The trial judge and the Judges of the Court of Appeals, of course, knew what they were looking for in making their comparative examination.

The courts below followed the law and reached a most appropriate result. There is no warrant for further review, and no opportunity for this Court to provide additional guidance to bench and bar as to the statute of applicable law.

B. The Court Of Appeals Properly Affirmed The Grant Of Summary Judgment To Respondents On The Trademark Issue.

As the courts below recognized, a common issue governed the disposition of petitioners' claims under the Federal Trademark Act, 15 USC § 1125(a). It was necessary to inquire whether the works used by the State were "likely to cause confusion to the general public as to the origin of these materials." *Mihalek Corp., supra*, p 296. The absence of substantial similarity already found necessarily eliminated the possibility of actual confusion to the general public as to who authored the works. Thus, the court below found:

> "Essentially for the reasons discussed fully on the copyright infringement claim, we find no error in the District Court's determination. After a careful examination of the materials claimed to be protected under the Lanham Act and the particulars involved in the campaigns, we find no error in the findings of the court below. There is no substantial similarity in the products, or in the 'marks utilized,' nor any

> substantial evidence of *actual confusion* based on side-by-side examination or comparison of Mihalek's work product as compared to that utilized by Defendants." *Id.*

The correctness of the lower courts' decisions on the copyright issues spills over into this issue, and further review of the grant of summary judgment on the trademark claim is therefore also unwarranted.

BEST AVAILABLE COPY

CONCLUSION

WHEREFORE, respondent Ross Roy, Inc. prays that this Honorable Court deny petitioners' application for writ of certiorari.

Respectfully submitted,

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No. 87-674

IN THE
SUPREME COURT OF THE UNITED STATES
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JAMES J. BLANCHARD, THE DEPARTMENT
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RALPH J. GERSON, DIRECTOR, ROSS ROY, INC.,

Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION AND APPENDIX

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QUESTIONS PRESENTED FOR REVIEW

I.

WHERE THE COURT OF APPEALS DECIDED THIS CASE ON FACTUAL AND STATUTORY BASES AND DID NOT ADDRESS ANY CONSTITUTIONAL ISSUE, SHOULD THIS COURT GRANT CERTIORARI TO DECIDE WHETHER THE COPYRIGHT ACT ABROGATES THE STATE OF MICHIGAN'S ELEVENTH AMENDMENT SOVEREIGN IMMUNITY?

II.

WHERE THE COURT OF APPEALS AND THE DISTRICT COURT APPLIED CORRECT LEGAL STANDARDS TO CLAIMS OF COPYRIGHT INFRINGEMENT, TRADEMARK VIOLATION AND FIFTH AMENDMENT TAKING, SHOULD THIS COURT GRANT CERTIORARI AND EXAMINE THE VOLUMINOUS EVIDENTIARY RECORD IN ORDER TO REVIEW STATUTORY CONCLUSIONS AND FACTUAL FINDINGS UNIQUE TO THESE PARTIES?

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II. THIS COURT SHOULD NOT GRANT CERTIORARI TO EXAMINE THE VOLUMINOUS EVIDENTIARY RECORD IN ORDER TO REVIEW STATUTORY CONCLUSIONS AND FACTUAL FINDINGS UNIQUE TO THE PARTIES BECAUSE THE COURT OF APPEALS AND THE DISTRICT COURT APPLIED CORRECT LEGAL STANDARDS TO CLAIMS OF COPYRIGHT INFRINGEMENT, TRADEMARK VIOLATION AND FIFTH AMENDMENT TAKING 24

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The Court of Appeals decision is reported at 814 F2d 290 (CA 6, 1987). The District Court decisions are reported at 595 F Supp 903 (ED Mich, 1984) and 630 F Supp 9 (ED Mich, 1985). An unreported Order and Judgment also appealed is attached as Respondents' Appendix 5b.

STATUTES INVOLVED

The pertinent language of 17 USC 101, *et seq*, is set forth in Respondents' Appendix 19b.

STATEMENT OF THE CASE

The present controversy arises as a result of allegations that Respondents, the State of Michigan and its officials (hereinafter the "State"), stole or otherwise misappropriated the copyrighted works of Petitioners, The Mihalek Corporation and Lawrence P. Mihalek (hereinafter "Mihalek"), in creating, developing and marketing the State's highly successful "Say Yes to

Michigan" promotional campaign.

In 1980, the State of Michigan was in a deep economic recession. The then Governor, William G. Milliken, instructed members of his staff and top State officials to develop a unified, comprehensive promotional program designed to increase national awareness of Michigan's advantages in the area of agriculture, tourism and business. A committee was formed, and presentations were requested from several reputable advertising/ public relations firms, both state and national. (See Respondents' Appendix 11b, Affidavit of former Michigan Governor William G. Milliken, explaining the need for a promotional program and his lack of involvement with Mihalek.) Although the State of Michigan had been promoting itself for over 50 years, the Washington, D.C. public relations firm of Porter, Novelli & Associates was selected in April of 1981 to develop a specific, fresh

promotional campaign. As a result, the "Say Yes to Michigan" campaign was created and subsequently launched during the "Super Bowl" festivities in January of 1982. (See Respondents' Appendix 15b, Affidavit of John H. Porter, detailing how the "Say Yes to Michigan" promotional campaign was created.) In 1984, the Detroit-based advertising firm of Ross Roy, Inc. built upon the "Say Yes to Michigan" theme in developing the "Yes MICHIGAN!" campaign, and more recently the "I Am Michigan" campaign.

In late 1980, Mihalek, who had not previously held himself out as being in the advertising or public relations business, relentlessly hounded various State employees at their homes and offices, in parking lots, and in legislative sessions, in an attempt to impress upon them the value of his own "Michigan is Good News" program. As a courtesy to Mihalek, and at the request of Mihalek's legislative representative, various

State employees met with Mihalek and reviewed his works. For various reasons, the materials, which he subsequently obtained copyright registrations for, were not suitable for the type of promotion the State needed, primarily because they were crude and unimaginative.

Well after the State began its "Say Yes to Michigan" campaign, Mihalek and his counsel began threatening and intimidating state officials and the various media carrying the state-purchased advertising by indicating that the media would be sued if the advertising contracts were fulfilled. In an effort to prevent these unjusified threats from continuing, the State sued Mihalek in state court in April of 1984, claiming an unlawful, intentional interference with the State's economic and contractual relations. Pending a hearing on this claim, a Temporary Restraining Order was entered enjoining Mihalek, "their agents and employees,... from issuing any further threatening

correspondence or communications to the various radio, television, and newspaper mediums."

On the date of the scheduled hearing regarding the State's tort action, Mihalek filed a Complaint in the United States District Court and removed the State action to the Federal Court. Subsequently, a Preliminary Injunction, almost identical to the State entered Temporary Restraining Order, was issued by the District Court in favor of the State.

The State never answered either the original or amended complaint, but first moved for summary judgment denying retroactive monetary damages on the basis of Eleventh Amendment sovereign immunity. The District Court held that the State of Michigan and the Michigan Department of Commerce were absolutely immune from either monetary or equitable relief, and the Governor of the State of Michigan and the Director of the Michigan Department of Commerce could be subject

only to injunctive relief for alleged copyright infringement. *Mihalek Corp, et al* v *State of Michigan, et al*, 595 F Supp 903 (ED Mich, 1984) The Sixth Circuit Court of Appeals did not reach the Eleventh Amendment sovereign immunity issue. *Mihalek Corp, et al* v *State of Michigan, et al*, 814 F2d 290, 297 (CA 6, 1987).

The State and Ross Roy, Inc. (an added party) then moved for a second summary judgment on the copyright count because no substantial similarity existed between Mihalek's and the State's works as a matter of law. After a two and one-half hour informal pre-trial conference scheduled by Mihalek, as well as a two-hour hearing on the State's Motion for Summary Judgment, the District Court, after thoroughly comparing the protected and accused works for several days, found, as a matter of law, on April 17, 1985, that no substantial similarity existed between the respective work products and that, as a matter of

law, no copyright infringement existed. An order was entered by the District Court on April 27, 1985. In a detailed sixteen-page Memorandum Opinion and Order dated June 5, 1985, the District Court denied Mihalek's reconsideration request. *Mihalek Corp, et al* v *State of Michigan, et al*, 630 F Supp 9 (ED Mich, 1985).

Mihalek's alleged copyright claim arises from crude, rough sketches and ideas which comprise Mihalek's proposed campaign to promote Michigan. Mihalek arranged and pasted together photographs of various Michigan scenes and products, labeled them "Michigan is Good News" and had these "works" as well as a slide show depicting similar items copyrighted as the "Michigan is Good News" proposal. Mihalek's proposal also depicts "carrots" and "Mr. Good News" as characters roving throughout the state in a garish van proclaiming the "good news" about Michigan.

The State has never used in its "Say Yes to

Michigan" campaign either the term "Michigan is Good News" or the above-described characters, or any of the crude visual aids or roving van promotional plan allegedly developed by Mihalek. In fact, the State had been promoting its attributes for many years before Mihalek ever came on the scene. Examples of the State's history of advertising were shown to both the Court of Appeals and the District Court as part of the exhibits they examined.

The State moved for a third summary judgment on the remainder of Mihalek's Complaint on April 30, 1985. On November 6, 1985, the District Court, after hearing oral argument, entered an Order and Judgment Granting Summary Judgment in favor of the State on all of Mihalek's Complaint and particularly trademark and the Fifth Amendment. (Order and Judgment, November 6, 1985, p 2. See Respondents' Appendix 5b).

On appeal of these issues, the Court of Appeals

was presented with hundreds of exhibits and some of them have been retained by that Court for post-oral argument review. After examining the materials in the record, including the exhibits, the Court of Appeals agreed with the District Court that no substantial similarity or likelihood of confusion existed between the accused and protected works and no false designation of origin occurred. Furthermore, no evidence of copying or wrongful appropriation was presented. *Mihalek*, 814 F2d at 294-7. The Court of Appeals affirmed the judgment of the District Court that there were no copyright or trademark violations. *Mihalek*, 814 F2d at 295-6. The Court of Appeals did not reach the Eleventh Amendment sovereign immunity issue. *Mihalek*, 814 F2d at 297. On rehearing the Court of Appeals found no error in the District Court's finding of no violation of Petitioners' Fifth Amendment rights, but the Court remanded to the District Court the question of "fair use" of

two photocopies retained by two state employees with the admonition that "there may have been a technical, although possibly *de minimis non curat lex* violation of 17 U.S.C. § 106 ..." (Order, June 6, 1987, p 2, Respondents' Appendix 1b).

REASONS FOR DENYING THE PETITION

I.

THIS COURT SHOULD NOT GRANT CERTIORARI TO DECIDE WHETHER THE COPYRIGHT ACT ABROGATES THE STATE OF MICHIGAN'S ELEVENTH AMENDMENT SOVEREIGN IMMUNITY BECAUSE THE COURT OF APPEALS DECIDED THIS CASE ON FACTUAL AND STATUTORY BASES AND DID NOT ADDRESS ANY CONSTITUTIONAL ISSUE.

A. The Court of Appeals Did Not Reach the Eleventh Amendment Sovereign Immunity Issue.

The Court of Appeals found it unnecessary to reach the Eleventh Amendment sovereign immunity issue because no copyright or trademark infringement existed, (*Mihalek*, 814 F2d at 297), and there was no taking of Petitioners' property under the Fifth Amendment. (Order, June 8, 1987) This Court has held that constitutional decisions should be avoided where a non-constitutional decision can resolve the issue. *Alma Motor Co.* v *Timken-Detroit Axle Co*, 329 US 129, 136 (1946). Furthermore, this Court decides questions of public importance only in the context of meaningful litigation. This Court's function is

judicial, not administrative or managerial, and issues will be resolved only when posed concretely. *Monrosa* v *Carbon Black Export, Inc*, 359 US 180, 184 (1959).

Although the Court of Appeals on rehearing affirmed that there was no taking of Petitioners' property under the Fifth Amendment, that Court remanded to the District Court on the issue of whether Respondents' asserted "fair use" as an affirmative defense to the alleged retention by two state employees of two photocopies, with the specific admonition that there "may have been a technical, although possibly *de minimis non curat lex* violation of 17 USC § 106...." (Order, June 6, 1987, p 2). This remand did not open the door to the Eleventh Amendment sovereign immunity issue simply because there exists no copyright infringement, no trademark violation and no taking under the Fifth Amendment for which monetary relief may result against anyone or anything.

B. Congress Could Not Abrogate a State's Sovereign Immunity by Enacting the Copyright Act Pursuant to Art 1, § 8, cl. 8 of the Constitution.

In describing soverign immunity, Justice Marshall wrote that the federal judicial power granted by the Constitution did not authorize a suit brought by a private party against a state without its consent because of the "fundamental rule" which the Eleventh Amendment exemplified. *Employees* v *Missouri Dept of Public Health and Welfare*, 411 US 279, 291 (1973). The "fundamental rule" is sovereign immunity and it existed prior to the enactment of the Eleventh Amendment. *Accord, Pennhurst State School and Hospital* v *Halderman*, 465 US 89, 98 (1984).

The only clear abrogation of sovereign immunity occurs with laws enacted pursuant to section 5 of the Fourteenth Amendment which limits the power of the Eleventh Amendment. *Atascadero State Hospital, et al* v *Scanlon*, 473 US 234 (1985) at

242-43 and 244-45, n 4. This Court has held that the Fourteenth Amendment is unique and that its provisions are by express terms directed at the states. Enforcement of the Fourteenth Amendment "is no invasion of state sovereignty" and Congress possesses special power when acting pursuant to section 5 of the Fourteenth Amendment. *Fitzpatrick* v *Bitzer*, 427 US 445, 454 (1975).

Although the United States Supreme Court has not decided whether Congress' abrogation authority specifically extends beyond the Fourteenth Amendment [*County of Oneida, New York* v *Oneida Indian Nation of New York State, et al*, 470 US 226, 252 (1985)], for courts to find Congressional abrogation of Eleventh Amendment sovereign immunity whenever Congress legislates would remove the Eleventh Amendment from the Constitution. *Recent Development-Copyright Ingringement: A Doctrine of Unfair Use?* 40 Vand. L. Rev. 225, 267 (1987). This possibility was considered in

Fitzpatrick when this Court stated that Congressional abrogation approved pursuant to the Fourteenth Amendment would be "constitutionally impermissible in other contexts." *Fitzpatrick*, 427 US at 456.

Despite this Court's narrow abrogation holding in *Fitzpatrick*, two cases have held that the states' sovereign immunity was abrogated by the Copyright Act. These were *Mills Music, Inc.* v *Arizona*, 591 F2d 1278 (CA 9, 1979) and *Johnson* v *University of Virginia*, 606 F Supp 321 (W.D. Va, 1985). However, both of these cases were decided prior to *Atascadero* where this Court held that "when acting pursuant to § 5 of the Fourteenth Amendment, Congress can abrogate the Eleventh Amendment without the states' consent." *Atascadero*, 473 US at 238.

In setting forth certain exceptions to the Eleventh Amendment sovereign immunity, this Court in *Welch* v *Texas Dep't of Highways and Public*

Transportation, et al, 483 US ____; 55 USLW 5046 (June 25, 1987) held that waiver by a state of sovereign immunity occurs only with express language or when overwhelmingly implied without any other reasonable construction. 55 USLW at 5048. This Court in *Welch* also affirmed its unwillingness to infer Congressional negation of a states' sovereign immunity because of the 'vital role of the doctrine of sovereign immunity in our federal system.' 55 USLW at 5048.

Since the Copyright Act was enacted by Congress pursuant to Art I, § 8, cl. 8 of the Constitution, there was no abrogation of the states' sovereign immunity.

C. The Copyright Act Did Not Abrogate A State's Sovereign Immunity.

Even if the Copyright Act can be considered to have been enacted pursuant to an appropriate constitutional authority, such as section 5 of the Fourteenth Amendment, the Copyright Act did not

abrogate the state's sovereign immunity.

This Court has held that abrogation requires an "unequivocal expression of congressional intent." *Quern* v *Jordon*, 440 US 332, 342 (1978). More recently, this Court held that "any recipient of federal assistance" included the State of California, but that was insufficient to abrogate the Eleventh Amendment. *Atascadero*, 473 US at 245-46. Not only must Congress express its intent to abrogate the Eleventh Amendment in unmistakable language in the statute itself (*Atascadero*, 473 US at 235), but to subject a state to federal jurisdiction Congress must do so specifically. *Atascadero*, 473 US at 246. Furthermore, this Court requires "an unequivocal expression of Congressional intent to overturn the constitutionally guaranteed immunity of the several States." *Atascadero*, 473 US at 240.

Rather than "express its intention to abrogate the Eleventh Amendment in unmistakable language in

the statute itself," (*Atascadero*, 473 US at 235), Congress undertook a general and vague approach when defining the scope of the Copyright Act. The Copyright Act's authorization in 17 USC § 501(1) to sue 'anyone' who infringes a copyright is not the unequivical statutory language sufficient to abrogate the Eleventh Amendment. *Woelffer* v *Happy States of America*, 626 F Supp 499, 504 (ND Ill, 1985). Therefore, the states have not been specifically included. Instead, 17 USC § 501(1) is simply the general authorization which *Atascadero* rejected as "not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment." *Atascadero*, 473 US at 246.

Furthermore, all of the courts which have decided this copyright/abrogation issue after *Atascadero* have unanimously held that the Copyright Act did not abrogate sovereign immunity. *See*, *Woelffer* v *Happy States of America*, 626 F

Supp 499 (ND Ill, 1985); *Richard Anderson Photography* v *Radford University*, 633 F Supp 1154 (WD Va, 1986) (On appeal to 4th Cir); *Cardinal Industries, Inc* v *Raymond C. King, et al*, 811 F2d 609 (CA 11, 1987) *cert den* ___US___ (1987); and *BV Engineering* v *University of California, Los Angeles*, 657 F Supp 1246 (CD Cal, 1987), (On appeal to 9th Cir). Therefore, no conflict exists among the Courts of Appeals regarding Eleventh Amendment sovereign immunity as a bar to copyright infringement suits against the states. Rather, copyright infringement cases against the states have been consistently decided since *Atascadero*.

Even prior to *Atascadero*, the Court in *Witlow* v *Crow*, 309 F2d 777 (CA 8, 1962), held that the Eleventh Amendment was not abrogated by the Copyright Act. In addition, in *Hercules, Inc* v *Minnesota State Highway Department*, 337 F Supp 795 (DC Minn, 1972), the Court held that the Eleventh Amendment was not abrogated by the Patent Act.

The two copyright cases decided prior to *Atascadero* are both questionable because it was precisely this type of "general authorization to suit in federal court" which *Atascadero* held to be insufficient to abrogate sovereign immunity.

The first case, *Mills Music, Inc* v *Arizona*, 591 F2d 1278 (CA 9, 1979), was recently criticized by a district court in the Ninth Circuit when it held the California Board of Regents immune from suit for copyright infringement in federal court by virtue of the Eleventh Amendment. *BV Engineering* v *University of California, Los Angeles*, 657 F Supp 1246 (CD Cal, 1987) (On appeal to 9th Cir).

The second case, *Johnson* v *University of Virginia*, 606 F Supp 321 (WD Va, 1985), was also decided without the benefit of *Atascadero*, and was premised upon *Mills Music*. In a later case in the same district, a different judge affirmed the state's sovereign immunity and stated that *Johnson*

would have been decided differently under *Atascadero*. *Richard Anderson Photography* v *Radford University*, 633 F Supp 1154, 1160 (WD Va, 1986) (On appeal to 4th Cir).

Therefore, in light of *Atascadero*, neither *Mills Music* nor *Johnson* remain viable because absolutely nothing exists in the Copyright Act to show the unequivocal expression of Congressional intent. If Congress intended to eliminate sovereign immunity, the Copyright Act fails both in its lack of specific unequivocal language and a specific legislative history to support it.

Petitioners suggest at page 35 of their petition that the registration by the states of their copyrights is conditioned upon consent to suit in federal court. However, nothing in 17 U.S.C. § 401-412 contains the necessary unequivocal intent required by *Atascadero*. Respondents' Appendix 30b. Furthermore, Petitioners are clearly wrong at page 42 of their petition when

they assert that certain exemptions in the Copyright Act contain that intent. 17 U.S.C. §§ 108 and 118(d)(3) apply only to non-profit organizations and local governments, entities not protected with Eleventh Amendment sovereign immunity, *Monell* v *Dep't of Social Service*, 436 US 658, 690 (1978) and 17 U.S.C. §§ 601 and 602 protect the importer of materials, not the states. Respondents' Appendix 24b and 28b. Therefore, these sections do not demonstrate that Congress has unequivocally expressed its intent to abrogate Eleventh Amendment sovereign immunity in the Copyright Act.

Furthermore, the Eleventh Amendment does not deal just with *whether* a state can be sued, but it also deals with *where* a state can be sued. The Copyright Act, enacted pursuant to Art I, § 8, cl. 8, deals with remedies. But 28 USC 1338(a) concerns exclusive jurisdiction for copyright claims, *where* a state can be sued, and this

statute was enacted pursuant to Art III, § 2. The Eleventh Amendment is not abrogated by statutes enacted pursuant to Art III. *Pennhurst State School & Hospital* v *Halderman*, 465 US 89, 98 (1984), held that the great significance of the Eleventh Amendment "lies in its affirmation that the fundamental principle of sovereign immunity limits the grant of judicial authority in Art III" of the Constitution. Continuing, the Court in *Pennhurst* stated at page 121 that "...neither pendent jurisdiction nor any other jurisdiction may override the Eleventh Amendment," including exclusive jurisdiction. The teaching of *Pennhurst* then is that the Eleventh Amendment deprives the federal court of the power to decide certain claims by a private party against the state and reduction in a litigant's choice of forum may result. *Pennhurst*, 465 US at 123.

II.

THIS COURT SHOULD NOT GRANT CERTIORARI TO EXAMINE THE VOLUMINOUS EVIDENTIARY RECORD IN ORDER TO REVIEW STATUTORY CONCLUSIONS AND FACTUAL FINDINGS UNIQUE TO THE PARTIES BECAUSE THE COURT OF APPEALS AND THE DISTRICT COURT APPLIED CORRECT LEGAL STANDARDS TO CLAIMS OF COPYRIGHT INFRINGEMENT, TRADEMARK VIOLATION AND FIFTH AMENDMENT TAKING.

A. After Extensive Review of Voluminous Exhibits, Both the Court of Appeals and the District Court Found no Copyright Infringement, Trademark Violation or Taking Under the Fifth Amendment.

The District Court did not determine, nor was it required to determine, whether access to the protected works existed. Disputes as to the access element of copying have no bearing upon a court's finding whether the copyrighted and accused works are substantially similar. The only element of copyright infringement which was decided upon the State's motion was whether substantial similarity existed between Mihalek's and the State's works.

In order to determine substantial similarity

courts have held that they should compare the two works and determine whether as a matter of law a trier of fact would find substantial similarity. *Wickham* v *Knoxville International Energy Exposition*, 739 F2d 1904 (CA 6, 1984). For example, in *Durham Industries, Inc* v *Tomy Corp*, another case in which only the substantial similarity element was at issue, the court stated, "the question of infringement is generally resolved by the fact-finder's prediction of the probable reaction of a hypothetical 'ordinary observer.'" 630 F2d 905, 911 (CA 2, 1980). Furthermore, this comparison by the courts should consider any similarities resulting from depicting a common object and the degree of originality, creativity and independent effort. *Clarke* v *G.A. Kayser & Sons, Inc*, 472 F Supp 481, 482 (WD Pa, 1979), *aff'd without op.*, 631 F2d 725 (CA 3, 1980).

Clearly, it was proper for both the Court of

Appeals and the District Court to examine the works of Mihalek and the State and conclude that no substantial similarity existed. Indeed, it has been held that because the test for substantial similarity involves no more than looking at the two works, the test is ideally suited for summary judgment. *Williams Electronics, Inc* v *Bally Manufacturing Corp*, 568 F Supp 1274 (ND Ill, 1983).

In the instant case, the District Court judge requested that the parties submit to him in advance, all of the evidence on which they were going to rely, and that the exhibits be prepared such that the court would be able to compare similarities between the elements of the accused and protected works. *Mihalek*, 630 F Supp at 14. The District Court examined all of Mihalek's and the State's works for several days prior to the hearing. *Mihalek*, 630 F Supp at 14. The District Court considered whether the similarities resulted from the subject matter, or in this case, the

themes and ideas common to both works.

Both the Court of Appeals and the District Court visually examined both sets of works to determine whether the combination of details created an overall impression of substantial similarity. Both Courts recognized that the test is whether a hypothetical jury could reasonably conclude that the two sets of works were substantially similar. The court, therefore, sets the minimum legal standard for submission to the jury. *Mihalek*, 630 F Supp at 13.

Petitioners' Supplemental Brief dated October 29, 1987, relies on *Baxter* v *MCA, Inc, et al*, 812 F2d 421 (CA 9, 1987) (petition for cert filed) for the proposition that the District Court cannot be the hypothetical jury or lay observer in a summary judgment motion raising the issue of substantial similarity. (Supplemental Brief, p 3). In *Baxter*, the District Court ruled as a matter of law that no substantial similarity

existed. The Court of Appeals reviewed that ruling *de novo*, *Baxter*, 812 F2d at 423, to determine whether any genuine issue of material fact existed sufficient to deny the moving party a judgment as a matter of law. The Court of Appeals recognized that the District Court was correct in ruling on the summary judgment motion:

> "The district court's grant of summary judgment to the defendants must be affirmed if reasonable minds could not differ as to the presence or absence of substantial similarity of expressions." *Baxter*, 812 F2d at 423.

The *Baxter* court reviewed the record and concluded that reasonable minds could differ and summary judgment was inappropriate.

The Court of Appeals in *Mihalek* also reviewed the record and concluded that reasonable minds could not differ and summary judgment was appropriate:

> " ... this Court has itself carefully examined the materials in the record and finds that there are no substantial similarities, ... " *Mihalek*, 814 F2d at 294.

> "We have attempted to duplicate the examination and conclude that there is simply

> no substantial similarities involved in the two public relations programs or campaigns in dispute, and there is no demonstrative evidence of copying or wrongful appropriation of plaintiffs' copyrighted expressions."
> *Mihalek*, 814 F2d at 295.
>
> "After a careful examination of the materials claimed to be protected under the Lanham Act and the particulars involved in the campaigns, we find no error in the findings of the court below."
> *Mihalek*, 814 F2d at 296.

Petitioners' assertion that a conflict exists within the circuits on the appropriate test for substantial similarity is simply wrong.

1. Petitioners' Proposed Affidavits And Additional Testimony Were Legally Inappropriate.

The District Court correctly refused to consider affidavits of persons purported to be "average lay observers" and to consider testimony about substantial similarity.

In *Decorative Aides Corp* v *Staple Sewing Aides*, 497 F Supp 154 (SD NY, 1980), the court granted the defendant's motion for summary judgment

holding that as a matter of law "no reasonable trier of fact could find [the two works] substantially similar." 497 F Supp at 157. The court ruled that in making such a comparison, the works themselves supersede and control any contrary allegations of the parties. *Id. Accord. Shipman* v *R.K.O. Radio Pictures, Inc*, 20 F Supp 249 (SD NY, 1937).

More recently, in *Clarke* v *G.A. Kayser & Sons, Inc*, 472 F Supp 481, 482 (WD Pa, 1979), the court held that summary judgment motions could be decided upon the record because the court had examples of all the relevant articles and packages before it and found no need for testimony on the subject.

Finally, in *Warner Bros, Inc, et al* v *American Broadcasting Companies, Inc, et al*, 720 F2d 231, 245 (CA 2, 1983), the court held that substantial similarity is not a concept familiar to the general public because it is a legal term.

Therefore, when a trial court has ruled that two works are not substantially similar, that conclusion cannot be altered by evidence indicating some people applying some standard of their own believed some similarity existed between the works. Courts, therefore, have the responsibility in copyright cases to set the limits for jury determination.

The Court of Appeals and District Court properly concluded that affidavits and witnesses could not substitute their judgment for the court in order to establish the minimum standard for submission of the case to a jury.

2. The District Court Applied Both Extrinsic and Intrinsic Tests In Finding No Substantial Similarity.

Copyright protects only the expression of ideas, not the ideas themselves. *Wickham* v *Knoxville International Energy Exposition, Inc*, 739 F2d 1094, 1098 (CA 6, 1984). In order to determine

whether a copyright has been infringed, the court must examine the copyrighted material, *Atari, Inc v North American Phillips Consumer Electronics Corp*, 672 F2d 607, 614 (CA 7, 1982), and distinguish similarity of idea or function from similarity of artistic expression. *Durham Industries, Inc v Tomy Corp*, 630 F2d 905, 913 (CA 2, 1980).

Courts have developed tests for distinguishing substantial similarity of copyrightable material from similarity in material not protected by copyright. Indeed, there exists no dispute among the courts as to the definition of these tests.

The test for substantial similarity of *ideas* is the "extrinsic" test. It is objective, *Berkic v Crichton*, 761 F2d 1289, 1292 (CA 9, 1985) and depends upon specific criteria which can be listed and analyzed. *Sid & Marty Krofft Television v McDonalds Corp*, 562 F2d 1157, 1164 (CA 9, 1977).

An "intrinsic" or subjective analysis tests for

similarity of *expression* and considers the total concept and feel of the two works, *Berkic*, 761 F2d at 1292, as determined by an ordinary reasonable person. *Krofft*, 562 F2d at 1164. Using the intrinsic test, the court determines whether any similarities between the works are more than generalized themes. *Warner Bros* v *American Broadcasting Companies, Inc*, 654 F2d 204, 208 (CA 2, 1981).

Mihalek's burden was to show substantial similarity of both ideas and expressions. *Berkic*, 761 F2d at 1292. The District Court correctly identified this burden and conducted a side-by-side examination. *Mihalek*, 630 F Supp at 14. It determined which elements were protected by copyright and concluded that the only similarity existed with things not copyrightable. *Mihalek*, 630 F Supp at 15, 16. The District Court then found no substantial similarity under both tests. *Mihalek*, 630 F Supp at 15. The Court of Appeals

agreed. *Mihalek*, 814 F2d at 294-5.

An additional standard has been used by courts after applying the above tests in order to distinguish copyrightable from non-copyrightable material. Five areas have been held not subject to copyright protection:

1. Matters of historical or contemporary fact;
2. Material traceable to common sources, the public domain, or folk custom;
3. 'Scenes a faire' or incidents, characters or settings indispensable or at least standard in the treatment of a given topic;
4. Clichéd language and metaphors; and
5. Themes or settings.

Alexander v Haley, 460 F Supp 40, 44-6 (SD NY, 1978).

The works at issue in this case have as their objective the promotion of the State of Michigan. Any effective attempt to promote a state must include essential facts such as the state's natural resources, products, recreational

facilities, and matters of pride unique to the state. Also common to plans for promoting a state are clichés which seek to capture an enthusiasm about the state and to instill in people who view the campaigns a positive feeling about the state.

All of the above-described elements for promoting Michigan fall within the standards not subject to copyright protection. Any similarity between Mihalek's and the State's works results from the commonality of non-copyrightable elements. Therefore, the District Court correctly applied the standards of *Alexander* v *Haley* to conclude that no actionable substantial similarity existed. *Mihalek*, 630 F Supp at 13.

In addition, commercial materials require a higher degree of similarity necessary to prove copyright infringement. M. B. Nimmer, *Nimmer on Copyright*, § 143.2 at 631 (1973 ed.) Furthermore, if the originality is very modest more than substantial similarity is necessary. *Id*, § 143.2

n. 107 (Supp 1974).

The works at issue in this case were either proposed (in the case of Mihalek), or used (in the case of the State) as an advertising campaign for the purpose of promoting Michigan. As such, they are all "commercial documents" within Professor Nimmer's definition. Moreover, much of the content of promotional proposals as the one here at issue were dictated by the subject matter being depicted, resulting in little in the way of original expression by Mihalek.

The examination of Mihalek's and the State's works by both the Court of Appeals and the District Court did not support even a minimal finding of substantial similarity. Therefore, a substantial similarity could not exist between the two sets of works.

3. No Confusion To The General Public Existed Between Petitioners' And Respondents' Works.

Mihalek pleads in conclusory language in paragraphs 25 and 26 of the Complaint that the

State falsely attributed Mihalek's work in violation of Section 43(a) of the Lanham Act (15 USC 1125(a)), apparently relying upon the "false designation of origin" language in that section. Mihalek's discussion of these matters before this Court also receives cursory treatment. Petition at p 58.

The test for purposes of determining whether there has been a violation of the prohibition against false designation of origin in Section 43(a) of the Lanham Act is whether or not the accused works are likely to cause confusion to the general public. Courts have consistently held that the "likelihood of confusion" test under 15 USC 1125(a) is the same as that under the Federal Trademark Law in general. *Rolls-Royce Motors, Ltd* v *A&A Fiberglass, Inc*, 428 F Supp 685 (DC Ga, 1977).

In addition, an action based upon false designation of origin will succeed only if the

works copied have acquired a secondary meaning in the marketplace and are non-functional. *Can Am Engineering Co* v *Henderson Glass, Inc*, 620 F Supp 596, 602 (ED Mich, 1985). Mihalek's works never entered the marketplace and they, therefore, could not possibly have acquired the secondary meaning necessary to succeed in a Section 43(a) action.

Furthermore, the "likelihood of confusion" test has been held to be a legal determination, and thus subject to resolution by way of summary judgment. *Alpha Industries, Inc* v *Alpha Steel Tube & Shapes, Inc*, 205 U.S.P.Q. 981 (CA 9, 1980). Summary judgment is therefore appropriate in this case because the issue of likelihood of confusion or deception is a question of law. When the likelihood of confusion or deception does not legally exist, a court may summarily dispose of a case. For example, the Second Circuit Court of Appeals ruled that the likelihood of confusion or deception may be decided as a question of law when

the determination rests on a side-by-side comparison. *Kiki Undies Corp* v *Promenade Hosiery Mills, Inc*, 411 F2d 1097 (CA 2, 1969), *cert den*, 396 US 1054 (1970).

In addition, courts have granted summary judgment when tney determined that the facts were so extreme that no genuine or substantial factual dispute existed. *Wells Fargo & Co* v *Wells Fargo Express Co*, 358 F Supp 1065 (D Nev, 1973), *vacated on other grounds*, 556 F2d 406 (CA 9, 1977).

Indeed, the Court of Appeals and the District Court's finding that there was no substantial similarity on the copyright claim supports its subsequent conclusion that there is no likelihood of confusion to the general public on the trademark claim. In fact, the Ninth Circuit used this analysis when it held that the producers of the motion picture *E.T. - The Extra Terrestrial* were not liable for violating the Lanham Act where there was no substantial similarity between the

two works on the copyright claim. *Litchfield* v *Spielberg*, 736 F2d 1352, 1358 (CA 9, 1984).

Furthermore, in *B&L Sales Associates* v *H. Daroff & Sons, Inc*, 421 F2d 352, 353-4 (CA 2, 1970), the court granted summary judgment and held that affidavits were insufficient to overcome the obvious inference from the exhibits that no consumer could possibly mistake the source of the advertised goods.

Inasmuch as the Court of Appeals and District Court previously ruled that there is no substantial similarity between the works of Mihalek and the State, finding further that the works were, in almost every respect "dissimilar," it must follow that there can be no confusion to the public, as a matter of law.

Even under the broad, sweeping language of Section 43(a) of the Lanham Act, Mihalek has not, and cannot, show a likelihood of reasonable confusion to the public.

4. There Was No Taking of Petitioners' Property Under the Fifth Amendment.

There has been no "taking" or "deprivation" of Mihalek's property by the State. Since it has clearly been determined that no "substantial similarity" exists between the respective work products of the parties and that no likelihood of confusion exists to the general public, it logically follows that there has been no misappropriation of Mihalek's works. If the State had improperly used any of Mihalek's works, such pirating would have manifested itself through a similarity in work products and the likelihood to confuse the general public. Not only did the Court of Appeals and District Court find no substantial similarity between the works of Mihalek and the State, but found as well that the works in almost every respect were "dissimilar". Since there was no substantial similarity for copyright, none can exist for misappropriation of

work product. Callman, *Unfair Comp, Trademark & Monopolies*, (4th Ed), Vol. 1(A), p 111. Common sense dictates that if the work products of Mihalek and the State are "dissimilar", there simply cannot be a justifiable claim of misappropriation of work product and a taking under the Fifth Amendment.

CONCLUSION

WHEREFORE, for all these reasons, Respondents pray that the petition for writ of certiorari be denied.

Respectfully submitted,

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Dated: November 10, 1987

APPENDIX

APPENDIX

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NOS. 84-1851/1854/85-1593/1986

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

THE MIHALEK CORPORATION AND LAWRENCE PATRICK MIHALEK, Plaintiffs-Appellants, v. THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPT. OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, DIRECTOR, ROSS ROY, INC., Defendants-Appellees.	)	O R D E R

BEFORE: **MERRITT**, **WELLFORD**, and **NORRIS**, Circuit Judges.

We filed an opinion in this cause on March 18, 1987, affirming the decision of the district court and denying plaintiffs the relief sought for alleged misappropriation of their copyrighted and trademark materials and ideas in the advertising plan in controversy. The petition for rehearing asserts that we failed to reach two issues in our prior opinion. First, the

misappropriation claim included the contention that defendants, through governmental and state action, had taken their property without compensation within the meaning of the fifth amendment. Our opinion does not specifically mention the fifth amendment claim. It is clear, however, that our holding was to the effect that as a matter of law there was no

"taking" of plaintiffs' materials and concepts and those utilized by defendants. We found no error in the district court's conclusion that defendants had not used, appropriated, or benefitted from plaintiffs' property in the form of ideas, materials, or advertising concepts. There was, then, no violation of plaintiffs' claimed fifth amendment rights.

Plaintiffs also assert that we failed to address their claims of "direct photocopying by

defendants" of "copyrighted advertising program plan at the direction of two of the highest officials in the Michigan Department of Commerce." This contention involves the statement made in plaintiffs' brief that two state officials had kept two photocopies of some of the copyrighted material. This photocopying was assertedly discovered during plaintiffs' Michigan Freedom of Information Act investigation following selection by defendants of another advertising program.

It is not clear whether defendants asserted "fair use" as an affirmative defense in this case, nor whether there may have been a technical, although possibly *de minimis non curat lex* violation of 17 U.S.C. § 106 in the alleged retention of photocopies by two state officials. This question was not specifically addressed by the district court in his decision nor does it appear that this failure to address this issue was called to his attention by the parties. We believe it is best for the district court in the

first instance to address this contention. We therefore **REMAND** the question of alleged photocopying by state officials and whether, if it occurred, this constituted a violation of plaintiffs' claimed rights in any respect in light of the record made by the parties.

NOS. 84-1851/1854/85-1593/1986 3

ENTERED BY ORDER OF THE COURT

/s/ John P. Hehman
CLERK

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF MICHIGAN

SOUTHERN DIVISION

THE MIHALEK CORPORATION and
LAWRENCE PATRICK MIHALEK,

Plaintiffs,

No. 84 CV 7202 AA

v

HON. CHARLES W. JOINER

THE STATE OF MICHIGAN, GOVERNOR
JAMES J. BLANCHARD, THE DEPARTMENT
OF COMMERCE OF THE STATE OF MICHIGAN,
RALPH J. GERSON, DIRECTOR, and ROSS
ROY, INC.,

Defendants.

_____/

ORDER AND JUDGMENT
AS TO THE STATE OF MICHIGAN,
GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT
OF COMMERCE OF THE STATE OF MICHIGAN,
AND RALPH J. GERSON, DIRECTOR

Plaintiffs brought an original cause of action against the State of Michigan, Governor James J. Blanchard, the Department of Commerce of the State of Michigan, and Ralph J. Gerson, Director (hereinafter "state defendants"), based on federal law alleging violations of copyright, trademark and Fifth Amendment; and

Plaintiffs sought to have this Court exercise pendent jurisdiction over state claims against state defendants alleging misappropriation of work product, trade secret and unfair competition; and

Plaintiffs removed to this Court the action entitled *State of Michigan, et al v The Mihalek Corporation, et al*, Livingston County Circuit Court No. 84-7310-CK; and

The state defendants brought various motions in relation to these actions; and

This Court considered the materials submitted by the state defendants, heard oral argument, and being fully advised in the premises; NOW

IT IS ORDERED that, in relation to the original action brought by Plaintiffs against

state defendants in this Court on causes of action based on federal law,

1. The Motion For Summary Judgment in favor of state defendants on the copyright count was granted because, as a matter of law, no substantial similarity exists between the protected works and the accused works.

2. The Motion For Summary Judgment in favor of state defendants on the trademark count is GRANTED because as a matter of law there is and can be no confusion to the general public as to the source and origin of the works.

3. The Motion For Summary Judgment in favor of state defendants on the Fifth Amendment count is GRANTED because there was no taking of Plaintiffs' property.

4. JUDGMENT BE and it hereby is ENTERED in favor of state defendants on all counts setting forth claims based on federal law.

IT IS ORDERED that, in relation to those remaining claims against state defendants in the original action brought in this Court seeking to have this Court exercise pendent jurisdiction against the state, state agencies and state officials in their official capacity, that these remaining claims on the original action brought in this Court are in fact against the State of Michigan, and this Court is barred by the principle of sovereign immunity (11th Amendment) from exercising pendent jurisdiction over these claims, and these claims are DISMISSED WITHOUT PREJUDICE.

IT IS ORDERED that, in relation to the action originated in Livingston County Circuit Court which Plaintiffs (Defendants in the state action) removed to this Court that:

5. The motion by the state defendants for summary judgment on the claims setting forth an

action on copyright, for which this Court has original and exclusive jurisdiction, was GRANTED because as a matter of law, no substantial similarity exists between the protected works and the accused works.

6. JUDGMENT be and it hereby is ENTERED on the federal claims in favor of the state defendants.

7. This Court declines to exercise pendent jurisdiction over claims against state defendants which seek to set forth causes of action under state law, and such remaining claims are REMANDED to the Livingston County Circuit Court.

8. This is a final Judgment and closes the case.

/s/
HONORABLE CHALRES W. JOINER
U. S. District Judge

Dated NOV 6 1985, 1985

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION
ANN ARBOR UNIT

JUDGMENT IN A CIVIL CASE

THE MIHALEK CORPORATION
LAWRENCE PATRICK MIHALEK
v.
ROSS ROY, INC.

CASE NUMBER: 84-CV-7202-AA

Jury Verdict. This action came before the Court for a trial by jury. The issues have been tried and the jury has rendered is verdict.

X Decision by Court. This action came to hearing before the Court. The issues have been heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED

that judgment be and the same is hereby entered in favor of defendant ROSS ROY, INC., and against plaintiffs, THE MIHALEK CORPORATION and LAWRENCE PATRICK MIHALEK, granting defendant's MOTION FOR SUMMARY JUDGMENT in an order dated October 22, 1985.

APPROVED:

/s/
Charles W. Joiner
UNITED STATES DISTRICT JUDGE

NOV 6 1985 — *Date*

ROBERT A. MOSSING — *Clerk*

/s/
(By) Deputy Clerk
JUDITH M. BIRDSALL

UNITED STATES DISTRIT COURT
FOR THE
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION and
LAWRENCE PATRICK MIHALEK,

Plaintiffs,

v

No. 84 CV 7202 AA
HON. CHARLES W. JOINER

THE STATE OF MICHIGAN, GOVERNOR
JAMES J. BLANCHARD, THE DEPARTMENT
OF COMMERCE OF THE STATE OF MICHIGAN,
RALPH J. GERSON, DIRECTOR,

Defendants

_____/

AFFIDAVIT OF WILLIAM G. MILLIKEN

State of Michigan)
) ss
County of Grand Traverse)

WILLIAM G. MILLIKEN, being first duly sworn, deposes and says that he has personal knowledge of the following and that, if sworn as a witness, can testify competently to the facts set forth as follows:

1. From January 1969 to January 1983, I served as Governor of the State of Michigan.

2. During my administration, it was always a priority to promote the State of Michigan. However, in the late 1970's it became even more necessary to vigorously analyze Michigan's business, travel and other conditions, assess those opportunities and receive recommendations to promote those opportunities.

3. To accomplish this assessment, in 1980 I appointed top state executives to work as a committee and report to me. After reviewing proposals from a number of nationally renowned public relation firms, an out-of-state international public relations firm, Porter Novelli Associates, of Washington, D. C., was selected in the spring of 1980 to prepare a marketing and advertising program.

4. Porter Novelli Associates developed the marketing and advertising program, specifically the highly successful "Say Yes to Michigan" theme.

5. I have heard of L. Patrick Mihalek because he sued me in Ingham County Circuit Court seeking mandamus. This case was dismissed in 1982. In addition, I believe one of my aides, Ricchard Schlaff, introduced me to Mr. Mihalek in 1980, while I was walking down a corridor in the State Capitol. The conversation lasted only a few moments and I do not remember anything specific other than greeting him.

6. I have never reviewed any of Mr. Mihalek's material nor have I ever recommended him to anyone, including Lee Iacocca, in writing or orally. I also never instructed any of my staff, including Mr. Schlaff, to recommend him to anyone. I did not write, dictate or have any knowledge of a purported letter to Mr. Iacocca dated November 20, 1980.

/s/
WILLIAM G. MILLIKEN

Subscribed and sworn to before me
this 10th day of April , 1985.

/s/
Virginia A. Moore
Notary Public, Grand Traverse County, MI.
My Commission expires 7/20/86

UNITED STATES DISTRIT COURT
FOR THE
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE MIHALEK CORPORATION AND
LAWRENCE PATRICK MIHALEK,

PLAINTIFFS,

v

No. 84 CV 7202 AA
HON. CHARLES W. JOINER

THE STATE OF MICHIGAN, GOVERNOR
JAMES J. BLANCHARD, THE DEPARTMENT
OF COMMERCE OF THE STATE OF MICHIGAN,
RALPH J. GERSON, DIRECTOR,

DEFENDANTS
_____/

AFFIDAVIT OF JOHN H. PORTER

STATE OF ILLINOIS
COUNTY OF COOK

John H. Porter, being first duly sworn, deposes and says that he has personal knowledge of the following and that if sworn as a witness he can testify competently to the facts herein, as follows:

1. I am Chairman of Needham Porter Novelli of Washington, D.C. and I have held that

position since 1972. Needham Porter Novelli is an international public relations firm with such clients as Campbell Soup Company, the Corporation for Public Broadcasting, and Richardson Vicks.

2. I was first contacted by the State of Michigan in approximately June, 1981 to develop a marketing program to be due in 6 months. Our goal was to promote Michigan tourism and industry. We interviewed 200 people as we developed the background research. I have never met L. Patrick Mihalek nor am I acquainted with any of his materials. My first knowledge of his existence occurred recently arising out of his lawsuit alleging copyright infringement.

3. I met in Lansing, Michigan on September 10, 1981 with the Governor of the State of Michigan to present our proposed campaign.

In the car after the meeting, I came up with the idea of "Say Yes to Michigan". This idea evolved from an advertisement which we had proposed to the Governor to run in the Chicago area. In the advertisement we aked "Is this the best vacation you ever had?" and the reader was asked to mark the ballot "Yes." There was no provision for answering No. There were two Yeses. I realized that the concept of Yes was just what we wanted for the Michigan campaign--for people to say yes to Michigan. Thus, the "Say Yes to Michigan" theme was created.

4. The marketing of the theme was standard marketing practice for the promotion of a state or locality. Similar campaigns had already existed for New York State, Ontario, Canada and the State of Virginia.

/s/
John H. Porter, Chairman

Subscribed and sworn
to before me this 23 day of October 1984.

/s/Philip C. Wilson, Jr.
Notary Public

§ 108. Limitations on exclusive rights: Reproduction by libraries and archives

(a) Notwithstanding the provisions of section 106 [17 USCS § 106], it is not an infringement of copyright for a library or archives, or any of its employees acting within the scope of their employment, to reproduce no more than one copy or phonorecord of a work, or to distribute such copy or phonorecord, under the conditions specified by this section, if--

(1) the reproduction or distribution is made without any purpose of direct or indirect commercial advantage;
(2) the collections of the library or archives are (i) open to the public, or (ii) available not only to researchers affiliated with the library or archives or with the institution of which it is a part, but also to other persons doing research in a specialized field; and
(3) the reproduction or distribution of the work includes a notice of copyright.

(b) The rights of reproduction and distribution under this section apply to a copy or phonorecord of an unpublished work duplicated in facsimile form solely for purposes of preservation and security or for deposit for research use in another library or archives of the type described by clause (2) of subsection (a), if the copy or phonorecord reproduced is currently in the collections of the library or archives.

(c) The right of reproduction under this section applies to a copy or phonorecord of a published work duplicated in facsimile form solely for the purpose of replacement of a copy or phonorecord that is damaged, deteriorating, lost, or stolen, if the library or archives has, after a reasonable effort, determined that an unused replacement cannot be obtained at a fair price.

(d) The rights of reproduction and distribution under this section apply to a copy, made from the collection of a library or archives where the user makes his or her request or from that of another library or archives, of no more than one article or other contribution to a copyrighted collection or periodical issue, or to a copy or phonorecord of a small part of any other copyrighted work, if--

(1) the copy or phonorecord becomes the property of the user, and the library or archives has had no notice that the copy or phonorecord would be used for any purpose other than private study, scholarship, or research; and
(2) the library or archives displays prominently, at the place where orders are accepted, and includes on its order form, a warning of copyright in accordance with requirements that the Register of Copyrights in accordance with requirements that the Register of Copyrights shall prescribe by regulation.

(e) The rights of reproduction and distribution under this section apply to the entire work, or to a substantial part of it, made from the collection of a library or archives where the user makes his or her request or from that of another library or archives, if the library or archives has first determined, on the basis of a reasonable investigation, that a copy or phonorecord of the copyrighted work cannot be obtained at a fair price, if--

(1) the copy or phonorecord becomes the property of the user, and the library or archives has had no notice that the copy or phonorecord would be used for any purpose other than private study, scholarship, or research; and
(2) the library or archives displays prominently, at the place where orders are accepted, and includes on its order form, a warning of copyright in accordance with requirements that the Register of Copyrights shall prescribe by regulation.

(f) Nothing in this section--

(1) shall be construed to impose liability for copyright infringement upon a library or archives or its employees for the unsupervised use of reproducing equipment located on its premises: *Provided*, That such equipment displays a notice that the making of a copy may be subject to the copyright law;
(2) excuses a person who uses such reproducing equipment or who requests a copy or phonorecord under subsection (d) from liability for copyright infringement for any such act, or for any later use of such copy or phonorecord, if it exceeds fair use as provided by section 107 [17 USCS § 107];
(3) shall be construed to limit the reproduction and distribution by lending of a limited number of copies and excerpts by a library or archives of an audiovisual news program, subject to clauses (1), (2), and (3) of subsection (a); or
(4) in any way affects the right of fair use as provided by section 107 [17 USCS § 107], or any contractual obligations assumed at any time by the library or archives when it obtained a copy or phonorecord of a work in its collections.

(g) The rights of reproduction and distribution under this section extend to the isolated and unrelated reproduction or distribution of a single copy or phonorecord of the same material on separate occasions, but do not extend to cases where the library or archives, or its employee--

(1) is aware or has substantial reason to believe that it is engaging in the related or concerted reproduction or distribution of multiple copies or phonorecords of the same material, whether made on one occasion or over a period of time, and whether intended for aggregate use by one or more individuals or for separate use by the individual members of a group; or

(2) engages in the systematic reproduction or distribution of single or multiple copies or phonorecords of material described in subsection (d): *Provided*, That nothing in this clause prevents a library or archives from participating in interlibrary arrangements that do not have, as their purpose or effect, that the library or archives receiving such copies or phonorecords for distribution does so in such aggregate quantities as to substitute for a subscription to or purchase of such work.

(h) The rights of reproduction and distribution under this section do not apply to a musical work, a pictorial, graphic or sculptural work, or a motion picture or other audiovisual work other than an audiovisual work dealing with news, except that no such limitation shall apply with respect to rights granted by subsections (b) and (c), or with respect to pictorial or graphic works published as illustrations, diagrams, or similar adjuncts to works of which copies are reproduced or distributed in accordance with subsections (d) and (e).

(i) Five years from the effective date of this Act, and at five-year intervals thereafter, the Register of Copyrights, after consulting with representatives of authors, book and periodical publishers, and other owners of copyrighted materials, and with representatives of library users and librarians, shall submit to the Congress a report setting forth the extent to which this section has achieved the intended statutory balancing of the rights of creators, and the needs of users. The report should also describe any problems that may have arisen, and present legislative or other recommendations, if warranted.

§ 118. Scope of exclusive rights: Use of certain works in connection with noncommercial broadcasting

(a) The exclusive rights provided by section 106 [17 USCS § 106] shall, with respect to the works specified by subsection (b) and the activities specified by subsection(d), be subject to the conditions and limitations prescribed by this section.

(b) Not later than thirty days after the Copyright Royalty Tribunal has been constituted in accordance with section 802 [17 USCS § 802], the Chairman of the Tribunal shall cause notice to be published in the Federal Register of the initiation of proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subsection (d) with respect to published nondramatic musical works and published pictorial, graphic, and sculptural works during a period beginning as provided in clause (3) of this subsection and ending on December 31, 1982. Copyright owners and public broadcasting entities shall negotiate in good faith and cooperate fully with the Tribunal in an effort to reach reasonable and expeditious results. Notwithstanding any provision of the antitrust laws, any owners of copyright in works specified by this subsection and any public broadcasting entities, respectively, may negotiate and agree upon the terms and rates of royalty payments and the proportionate division of fees paid among various copyright owners, and may designate common agents to negotiate, agree to, pay, or receive payments.

(1) Any owner of copyright in a work specified in this subsection or any public broadcasting entity may, within one hundred and twenty days after the publication of the notice specified in this subsection, submit to the Copyright Royalty Tribunal proposed licenses covering such activities with respect to such works. The

Copyright Royalty Tribunal shall proceed on the basis of the proposals submitted to it as well as any other relevant information. The Copyright Royalty Tribunal shall permit any interested party to submit information relevant to such proceedings.

(2) License agreements voluntarily negotiated at any time between one or more copyright owners and one or more public broadcasting entities shall be given effect in lieu of any determination by the Tribunal: *Provided*, That copies of such agreements are filed in the Copyright Office within thirty days of execution in accordance with regulations that the Register of Copyrights shall prescribe.

(3) Within six months, but not earlier than one hundred and twenty days, from the date of publication of the notice specified in this subsection the Copyright Royalty Tribunal shall make a determination and publish in the Federal Register a schedule of rates and terms which, subject to clause (2) of this subsection, shall be binding on all owners of copyright in works specified by this subsection and public broadcasting entities, regardless of whether or not such copyright owners and public broadcasting entities have submitted proposals to the Tribunal. In establishing such rates and terms the Copyright Royalty Tribunal may consider the rates for comparable circumstances under voluntary license agreements negotiated as provided in clause (2) of this subsection. The Copyright Royalty Tribunal shall also establish requirements by which copyright owners may receive reasonable notice of the use of their works under this section, and under which records of such use shall be kept by public broadcasting entities.

(4) With respect to the period beginning on the effective date of this title [17 USCS §§ 101 et seq.] and ending on the date of publication of such rates and terms, this title [17 USCS §§ 101 et seq.] shall not afford to owners of copyright or public broadcasting entities any greater or lesser rights with respect to the activities specified in subsection (d) as applied to works specified in this subsection than those afforded under the law in effect on December 31, 1977, as held applicable and construed by a court in an action brought under this title [17 USCS §§ 101 et seq.].

(c) The initial procedure specified in subsection (b) shall be repeated and concluded between June 30 and December 31, 1982, and at five-year intervals thereafter, in accordance with regulations that the Copyright Royalty Tribunal shall prescribe.

(d) Subject to the transitional provisions of subsection (b)(4), and to the terms of any voluntary license agreements that have been negotiated as provided by subsection (b)(2), a public broadcasting entity may, upon compliance with the provisions of this section, including the rates and terms established by the Copyright Royalty Tribunal under subsection (b)(3), engage in the following activities with respect to published nondramtic musical works and published pictorial, graphic, and sculptural works:

(1) performance or display of work by or in the course of a transmission made by a noncommercial educational broadcast station referred to in subsection (g); and

(2) production of a transmission program, reproduction of copies or phonorecords of such a transmission program, and distribution of such copies or phonorecords, where such production, reproduction, or distribution is made by a nonprofit institution or organization solely for the purpose of transmissions specified in clause (1); and

(3) the making of reproductions by a governmental body or a nonprofit institution of a transmission program simultaneously with its transmission as specified in clause (1), and the performance or display of the contents of such program under the conditions specified by clause (1) of section 110 [17 USCS § 110], but only if the reproductions are used for performances or displays for a period of no more than seven days from the date of the transmission specified in clause (1), and are destroyed before or at the end of such period. No person supplying, in accordance with clause (2), a reproduction of a transmission program to governmental bodies or nonprofit institutions under this clause shall have any liability as a result of failure of such body or institution to destroy such reproduction: *Provided*, That it shall have notified such body or institution of the requirement for such destruction pursuant to this clause: *And provided further*, That if such body or institution itself fails to destroy such reproduction it shall be deemed to have infringed.

(e) Except as expressly provided in this subsection, this section shall have no applicability to works other than those specified in subsection (b).

(1) Owners of copyright in nondramatic literary works and public broadcasting entities may, during the course of voluntary negotiations, agree among themselves, respectively, as to the terms and rates of royalty payments without

liability under the antitrust laws. Any such terms and rates of royalty payments shall be effective upon filing in the Copyright Office, in accordance with regulations that the Register of Copyrights shall prescribe.

(2) On January 3, 1980, the Register of Copyrights, after consulting with authors and other owners of copyright in nondramatic literary works and their representatives, and with public broadcasting entities and their representatives, shall submit to the Congress a report setting forth the extent to which voluntary licensing arrangements have been reached with respect to the use of nondramatic literary works by such broadcast stations. The report should also describe any problems that may have arisen, and present legislative or other recommendations, if warranted.

(f) Nothing in this section shall be construed to permit, beyond the limits of fair use as provided by sectionn 107 [17 USCS § 107], the unauthorized dramatization of a nondramatic musical work, the production of a transmission program drawn to any substantial extent from a published compilation of pictorial, graphic, or sculptural works, or the unauthorized use of any portion of an audiovisual work.

(g) As used in this section, the term "public broadcasting entity" means a noncommercial educational broadcast station as defined in section 397 of title 47 [47 USCS § 397] and any nonprofit institution or organization engaged in the activities described in clause (2) of subsection (d).

§ 501. Infringement of copyright

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 [17 USCS §§ 106-118], or who imports copies or phonorecords into the United States in violation of section 602 [17 USCS § 602], is an infringer of the copyright.

(b) The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of sections 205(d) and 411 [17 USCS §§ 205(d) and 411], to institute an action for any infringement of that particular right committed while he or she is the owner of it. The court may require such owner to serve written notice of the action with a copy of the complaint upon any person shown, by the records of the Copyright Office or otherwise, to have or claim an interest in the copyright, and shall require that such notice be served upon any person whose interest is likely to be affected by a decision in the case. The court may require the joinder, and shall permit the intervention, of any person having or claiming an interest in the copyright.

(c) For any secondary transmission by a cable system that embodies a performance or a display of a work which is actionable as an act of infringement under subsection (c) of section 111 [17 USCS § 111(c)], a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that television station.

(d) For any secondary transmission by a cable system that is actionable as an act of infringement pursuant to section 111(c)(3) [17 USCS § 111(c)(3)], the following shall also have standing to sue: (i) the primary transmitter whose transmission has been altered by the cable system; and (ii) any broadcast station within whose local service area the secondary transmission occurs.

§ 601. Manufacture, importation, and public distribution of certain copies

(a) Prior to July 1, 1982, and except as provided by subsection (b), the importation into or public distribution in the United States of copies of a work consisting preponderantly of nondramatic literary material that is in the English language and is protected under this title [17 USCS §§ 101 et seq.] is prohibited unless the portions consisting of such material have been manufactured in the United States or Canada.

(b) The provisions of subsection (a) do not apply--

(1) where, on the date when importation is sought or public distribution in the United States is made, the author of any substantial part of such material is neither a national nor a domiciliary of the United States or, if such author is a national of the United States, he or she has been domiciled outside the United States for a continuous period of at least one year immediately preceding that date; in the case of a work made for hire, the exemption provided by this clause does not apply unless a substantial part of the work was prepared for an employer or other person who is not a national or domiciliary of the United States or a domestic corporation or enterprise;

(2) where the United States Customs Service is presented with an import statement issued under the seal of the Copyright Office, in which case a total of no more than two thousand copies of any one such work shall be allowed entry; the import statement shall be issued upon request to the copyright owner or to a person designated by such owner at the time of registration for the work under section 408 [17 USCS § 408] or at any time thereafter;

(3) where importation is sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State;
(4) where importation, for use and not for sale, is sought--
(A) by any person with respect to no more than one copy of any work at any one time;
(B) by any person arriving from outside the United States, with respect to copies forming part of such person's personal baggage; or
(C) by an organization operated for scholarly, educational, or religious purposes and not for private gain, with respect to copies intended to form a part of its library;
(5) where the copies are reproduced in raised characters for the use of the blind; or
(6) where, in addition to copies imported under clauses (3) and (4) of this subsection, no more than two thousand copies of any one such work, which have not been manufactured in the United States or Canada, are publicly distributed in the United States; or
(7) where, on the date when importation is sought or public distribution in the United States is made--
(A) the author of any substantial part of such material is an individual and receives compensation for the transfer or license of the right to distribute the work in the United States; and
(B) the first publication of the work has previously taken place outside the United States under a transfer or license granted by such author to a transferee or licensee who was not a national or domiciliary of the United States or a domestic corporation or enterprise; and
(C) there has been no publication of an authorized edition of the work of which the copies were manufactured in the United States; and

(D) the copies were reproduced under a transfer or license granted by such author or by the transferee or licensee of the right of first publication as mentioned in subclause (B), and the transferee or the licensee of the right of reproduction was not a national or domiciliary of the United States or a domestic corporation or enterprise.

(c) The requirement of this section that copies be manufactured in the United States or Canada is satisfied if--

(1) in the case where the copies are printed directly from type that has been set, or directly from plates made from such type, the setting of the type and the making of the plates have been performed in the United States or Canada; or
(2) in the case where the making of plates by a lithographic or photoengraving process is a final or intermediate step preceding the printing of the copies, the making of the plates has been performed in the United States or Canada; and
(3) in any case, the printing or other final process of producing multiple copies and any binding of the copies have been performed in the United States or Canada.

(d) Importation or public distribution of copies in violation of this section does not invalidate protection for a work under this title [17 USCS §§ 601 et seq.]. However, in any civil action or criminal proceeding for infringement of the exclusive rights to reproduce and distribute copies of the work, the infringer has a complete defense with respect to all of the nondramatic literary material comprised in the work and any other parts of the work in which the exclusive rights to reproduce and distribute copies are owned by the same person who owns such exclusive rights in the nondramatic literary material, if the infringer proves--

(1) that copies of the work have been imported into or publicly distributed in the United States in violation of this section by or with the authority of the owner of such exclusive rights; and

(2) that the infringing copies were manufactured in the United States or Canada in accordance with the provisions of subsection (c); and

(3) that the infringement was commenced before the effective date of registration for an authorized edition of the work, the copies of which have been manufactured in the United States or Canada in accordance with the provisions of subsection (c).

(e) In any action for infringement of the exclusive rights to reproduce and distribute copies of a work containing material required by this section to be manufactured in the United States or Canada, the copyright owner shall set forth in the complaint the names of the persons or organizations who performed the processes specified by subsection (c) with respect to that material, and the places where those processes were performed.

§ 602. Infringing importation of copies or phonorecords

(a) Importation into the United States, without the authority of the owner of copyright under this title [17 USCS §§ 101 et seq.], of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords under section 106 [17 USCS § 106], actionable under section 501 [17 USCS § 501]. This subsection does not apply to--

(1) importation of copies or phonorecords under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use;

(2) importation, for the private use of the importer and not for distribution, by any person with respect to no more than one copy or phonorecord of any one work at any one time, or by any person arriving from outside the United States with respect to copies or phonorecords forming part of such person's personal baggage; or

(3) importation by or for an organization operated for scholarly, educational, or religious purposes and not for private gain, with respect to no more than one copy of an audiovisual work solely for its archival purposes, and no more than five copies or phonorecords of any other work for its library lending or archival purposes, unless the importation of such copies or phonorecords is part of an activity consisting of systematic reproduction or distribution, engaged in by such organization in violation of the provisions of section 108(g)(2) [17 USCS § 108(g)(2)].

(b) In a case where the making of the copies or phonorecords would have constituted an infringement of copyright if this title [17 USCS §§ 101 et seq.] had been applicable, their importation is prohibited. In a case where the copies or phonorecords were lawfully made, the United States Customs Service has no authority to prevent their importation unless the provisions of section 601 [17 USCS § 601] are applicable. In either case, the Secretary of the Treasury is authorized to prescribe, by regulation, a procedure under which any person claiming an interest in the copyright in a particular work may, upon payment of a specified fee, be entitled to notification by the Customs Service of the importation of articles that appear to be copies or phonorecords of the work.

§ 401. Notice of copyright: Visually perceptible copies

(a) General requirement. Whenever a work protected under this title [17 USCS §§ 101 et seq.] is published in the United States or elsewhere by authority of the copyright owner, a notice of copyright as provided by this section shall be placed on all publicly distributed copies from which the work can be visually perceived, either directly or with the aid of a machine or device.

(b) Form of notice. The notice appearing on the copies shall consist of the following three elements:

(1) the symbol © (the letter C in a circle), or the word "Copyright", or the abbreviation "Copr."; and
(2) the year of first publication of the work; in the case of compilations or derivative works incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient. The year date may be omitted where a pictorial, graphic, or sculptural work, with accompanying text matter, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful articles; and
(3) the name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.

(c) Position of notice. The notice shall be affixed to the copies in such manner and location as to give reasonable notice of the claim of copyright. The Register of Copyrights shall prescribe by regulation, as examples, specific methods of affixation and positions of the notice on various types of works that will satisfy this requirement, but these specifications shall not be considered exhaustive.

§ 402. Notice of copyright: Phonorecords of sound recordings

(a) General requirement. Whenever a sound recording protected under this title [17 USCS §§ 101 et seq.] is published in the United States or elsewhere by authority of the copyright owner, a notice of copyright as provided by this section shall be placed on all publicly distributed phonorecords of the sound recording.

(b) Form of notice. The notice appearing on the phonorecords shall consist of the following three elements:

(1) the symbol ℗ (the letter P in a circle); and

(2) the year of first publication of the sound recording; and

(3) the name of the owner of copyright in the sound recording, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner; if the producer of the sound recording is named on the phonorecord labels or containers, and if no other name appears in conjunction with the notice, the producer's name shall be considered a part of the notice.

(c) Position of notice. The notice shall be placed on the surface of the phonorecord, or on the phonorecord label or container, in such manner and location as to give reasonable notice of the claim of copyright.

§ 403. Notice of copyright: Publications incorporating United States Government works

Whenever a work is published in copies or phonorecords consisting preponderantly of one or more works of the United States Government, the notice of copyright provided by sections 401 or 402 [17 USCS §§ 401 or 402] shall also include a statement identifying, either affirmatively or negatively, those portions of the copies or phonorecords embodying any work or works protected under this title [17 USCS §§ 101 et seq.].

§ 404. Notice of copyright: Contributions to collective works

(a) A separate contribution to a collective work may bear its own notice of copyright, as provided by sections 401 through 403 [17 USCS §§ 401-403]. However, a single notice applicable to the collective work as a whole is sufficient to satisfy the requirements of sections 401 through 403 [17 USCS §§ 401-403] with respect to the separate contributions it contains (not including advertisements inserted on behalf of persons other than the owner of copyright in the collective work), regardless of the ownership of copyright in the contributions and whether or not they have been previously published.

(b) Where the person named in a single notice applicable to a collective work as a whole is not the owner of copyright in a separate contribution that does not bear its own notice, the case is governed by the provisions of section 406(a) [17 USCS § 406(a)].

§ 405. Notice of copyright: Omission of notice

(a) Effect of omission on copyright. The omission of the copyright notice prescribed by sections 401 through 403 [17 USCS §§ 401–403] from copies or phonorecords publicly distributed by authority of the copyright owner does not invalidate the copyright in a work if--

(1) the notice has been omitted from no more than a relatively small number of copies or phonorecords distributed to the public; or
(2) registration for the work has been made before or is made within five years after the publication without notice, and a reasonable effort is made to add notice to all copies or phonorecords that are distributed to the public in the United States after the omission has been discovered; or
(3) the notice has been omitted in violation of an express requirement in writing that, as a condition of the copyright owner's authorization of the public distribution of copies or phonorecords, they bear the prescribed notice.

(b) Effect of omission on innocent infringers. Any person who innocently infringes a copyright, in reliance upon an authorized copy or phonorecord from which the copyright notice has been omitted, incurs no liability for actual or statutory damages under section 504 [17 USCS § 504] for any infringing acts committed before receiving actual notice that registration for the work has been made under section 408 [17 USCS § 408], if such person proves that he or she was misled by the omission of notice. In a suit for infringement in such a case the court may allow or disallow recovery of any of the infringer's profits attributable to the infringement, and may enjoin the continuation of the infringing undertaking or may require, as a condition or permitting the continuation of the infringing undertaking, that the infringer pay the copyright owner a reasonable license fee in an amount and on terms fixed by the court.

(c) Removal of notice. Protection under this title [17 USCS §§ 101 et seq.] is not affected by the removal, destruction, or obliteration of the notice, without the authorization of the copyright owner, from any publicly distributed copies or phonorecords.

§ 406. Notice of copyright: Error in name or date

(a) Error in name. Where the person named in the copyright notice on copies or phonorecords publicly distributed by authority of the copyright owner is not the owner of copyright, the validity and ownership of the copyright are not affected. In such a case, however, any person who innocently begins an undertaking that infringes the copyright has a complete defense to any action for such infringement if such person proves that he or she was misled by the notice and began the undertaking in good faith under a purported transfer or license from the person named therein, unless before the undertaking was begun--

(1) registration for the work had been made in the name of the owner of copyright; or
(2) a document executed by the person named in the notice and showing the ownership of the copyright had been recorded.

The person named in the notice is liable to account to the copyright owner for all receipts from transfers or licenses purportedly made under the copyright by the person named in the notice.

(b) Error in date. When the year date in the notice on copies or phonorecords distributed by authority of the copyright owner is earlier than the year in which publication first occurred, any period computed from the year of first publication under section 302 [17 USCS § 302] is to be computed from the year in the notice. Where the year date is more than one year later than the year in which publication first occurred, the work is considered to have been published without any notice and is governed by the provisions of section 405 [17 USCS § 405].

(c) Omission of name or date. Where copies or phonorecords publicly distributed by authority of the copyright owner contain no name or no date that could reasonably be considered a part of the notice, the work is considered to have been published without any notice and is governed by the provisions of section 405 [17 USCS § 405].

§ 407. Deposit of copies or phonorecords for Library of Congress

(a) Except as provided by subsection (c), and subject to the provisions of subsection (e), the owner of copyright or of the exclusive right of publication in a work published with notice of copyright in the United States shall deposit, within three months after the date of such publication--

(1) two complete copies of the best edition; or
(2) if the work is a sound recording, two complete phonorecords of the best edition, together with any printed or other visually perceptible material published with such phonorecords.

Neither the deposit requirements of this subsection nor the acquisition provisions of subsection (e) are conditions of copyright protection.

(b) The required copies or phonorecords shall be deposited in the Copyright Office for the use or disposition of the Library of Congress. The Register of Copyrights shall, when requested by the depositor and upon payment of the fee prescribed by section 708 [17 USCS § 708], issue a receipt for the deposit.

(c) The Register of Copyrights may be regulation exempt any categories of material from the deposit requirements of this section, or require deposit of only one copy or phonorecord with respect to any categories. Such regulations shall provide either for complete exemption from the deposit requirements of this section, or for alternative forms of deposit aimed at providing a satisfactory archival record of a work without imposing practical or financial hardships on the depositor, where the individual author is the owner of copyright in a pictorial, graphic, or sculptural work and (i) less than five copies of the work have been published, or (ii) the work has been published in a limited edition consisting of numbered copies, the monetary value of which would make the mandatory deposit of two copies of the best edition of the work burdensome, unfair, or unreasonable.

(d) At any time after publication of a work as provided by subsection (a), the Register of Copyrights may make written demand for the required deposit on any of the persons obligated to make the deposit under subsection (a). Unless deposit is made within three months after the demand is received, the person or persons on whom the demand was made are liable--

(1) to a fine of not more than $250 for each work; and
(2) to pay into a specially designated fund in the Library of Congress the total retail price of the copies or phonorecords demanded, or, if no retail price has been fixed, the reasonable cost of the Library of Congress of acquiring them; and
(3) to pay a fine of $2,500, in addition to any fine or liability imposed under clauses (1) and (2), if such person willfully or repeatedly fails or refuses to comply with such a demand.

(e) With respect to transmission programs that have been fixed and transmitted to the public in the United States but have not been published, the Register of Copyrights shall, after consulting with the Librarian of Congress and other interested organizations and officials, establish regulations governing the acquisition, through deposit or otherwise, of copies or phonorecords of such programs for the collections of the Library of Congress.

(1) The Librarian of Congress shall be permitted, under the standards and conditions set forth in such regulations, to make a fixation of a transmission program directly from a transmission to the public, and to reproduce one copy or phonorecord from such fixation for archival purposes.

(2) Such regulations shall also provide standards and procedures by which the Register of Copyrights may make written demand, upon the owner of the right of transmission in the United States, for the deposit of a copy or phonorecord of a specific transmission program. Such deposit may, at the option of the owner of the right of transmission in the United States, be accomplished by gift, by loan for purposes of reproduction, or by sale at a price not to exceed the cost of reproducing and supplying the copy or phonorecord. The regulations established under this clause shall provide reasonable periods of not less than three months for compliance with a demand, and shall allow for extensions of such periods and adjustments in the scope of the demand or the methods for fulfilling it, as reasonably warranted by the circumstances. Willful failure or refusal to comply with the conditions prescribed by such regulations shall subject the owner of the right of transmission in the United States to liability for an amount, not to exceed the cost of reproducing and supplying the copy or phonorecord in question, to be paid into a specially designated fund in the Library of Congress.

(3) Nothing in this subsection shall be construed to require the making or retention, for purposes of deposit, of any copy or phonorecord of an unpublished transmission program, the transmission of which occurs before the receipt of a specific written demand as provided by clause (2).
(4) No activity undertaken in compliance with regulations prescribed under clauses (1) or (2) of this subsection shall result in liability if intended solely to assist in the acquisition of copies or phonorecords under this subsection.

§ 408. Copyright registration in general

(a) Registration permissive. At any time during the subsistence of copyright in any published or unpublished work, the owner of copyright or of any exclusive right in the work may obtain registration of the copyright claim by delivering to the Copyright Office the deposit specified by this section, together with the application and fee specified by sections 409 and 708 [17 USCS §§ 409 and 708]. Subject to the provisions of section 405(a) [17 USCS § 405(a)], such registration is not a condition of copyright protection.

(b) Deposit for copyright registration. Except as provided by subsection (c), the material deposited for registration shall include--

(1) in the case of an unpublished work, one complete copy or phonorecord;
(2) in the case of a published work, two complete copies or phonorecords of the best edition;
(3) in the case of a work first published outside the United States, one complete copy or phonorecord as so published;
(4) in the case of a contribution to a collective work, one complete copy or phonorecord of the best edition of the collective work.

Copies or phonorecords deposited for the Library of Congress under section 407 [17 USCS § 407] may be used to satisfy the deposit provisions of this section, if they are accompanied by the prescribed application and fee, and by any additional identifying material that the Register may, by regulation, require. The Register shall also prescribe regulations establishing requirements under which copies or phonorecords acquired for the Library of Congress under subsection (e) of section 407 [17 USCS § 407(e)], otherwise than by deposit, may be used to satisfy the deposit provisions of this section.

(c) Administrative classification and optional deposit.

(1) The Register of Copyrights is authorized to specify by regulation the administrative classes into which works are to be placed for purposes of deposit and registration, and the nature of the copies or phonorecords to be deposited in the various classes specified. The regulations may require or permit, for particular classes, the deposit of identifying material instead of copies or phonorecords, the deposit of only one copy or phonorecord where two would normally be required, or a single registration for a group of related works. This administrative classification of works has no significance with respect to the subject matter of copyright or the exclusive rights provided by this title [17 USCS § 408].

(2) Without prejudice to the general authority provided under clause (1), the Register of Copyrights shall establish regulations specifically permitting a single registration for a group of works by the same individual author, all first published as contributions to periodicals, including newspapers, within a twelve-month period, on the basis of a single deposit, application, and registration fee, under all of the following conditions--

(A) if each of the works as first published bore a separate copyright notice, and the name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner was the same in each notice; and
(B) if the deposit consists of one copy of the entire issue of the periodical, or of the entire section in the case of a newspaper, in which each contribution was first published; and
(C) if the application identifies each work separately, including the periodical containing it and its date of first publication.

(3) As an alternative to separate renewal registrations under subsection (a) of section 304 [17 USCS § 304(a)], a single renewal registration may be made for a group of works by the same individual author, all first published as contributions to periodicals, including newspapers, upon the filing of a single application and fee, under all of the following conditions:

(A) the renewal claimant or claimants, and the basis of claim or claims under section 304(a) [17 USCS § 304(a)], is the same for each of the works; and
(B) the works were all copyrighted upon their first publication, either through separate copyright notice and registration or by virtue of a general copyright notice in the periodical issue as a whole; and
(C) the renewal application and fee are received not more than twenty-eight or less than twenty-seven years after the thirty-first day of December of the calendar year in which all of the works were first published; and
(D) the renewal application identifies each work separately, including the periodical containing it and its date of first publication.

(d) Corrections and amplifications. The Register may also establish, by regulation, formal procedures for the filing of an application for supplementary registration, to correct an error in a copyright registration or to amplify the information given in a registration. Such application shall be accompanied by the fee provided by section 708 [17 USCS § 708], and shall clearly identify the registration to be corrected or amplified. The information contained in a supplementary registration augments but does not supersede that contained in the earlier registration.

(e) Published edition of previously registered work. Registration for the first published edition of a work previously registered in unpublished form may be made even though the work as published is substantially the same as the unpublished version.

§ 409. Application for copyright registration

The application for copyright registration shall be made on a form prescribed by the Register of Copyrights and shall include--

(1) the name and address of the copyright claimant;
(2) in the case of a work other than an anonymous or pseudonymous work, the name and nationality or domicile of the author or authors, and, if one or more of the authors is dead, the dates of their deaths;
(3) if the work is anonymous or pseudonymous, the nationality or domicile of the author or authors;
(4) in the case of a work made for hire, a statement to this effect;
(5) if the copyright claimant is not the author, a brief statement of how the claimant obtained ownership of the copyright;

(6) the title of the work, together with any previous or alternative titles under which the work can be identified;
(7) the year in which creation of the work was completed;
(8) if the work has been published, the date and nation of its first publication;
(9) in the case of a compilation or derivative work, an identification of any preexisting work or works that it is based on or incorporates, and a brief, general statement of the additional material covered by the copyright claim being registered;
(10) in the case of a published work containing material of which copies are required by section 601 [17 USCS § 601] to be manufactured in the United States, the names of the persons or organizations who performed the processes specified by subsection (c) of section 601 [17 USCS § 601(c)] with respect to that material, and the places where those processes were performed; and
(11) any other information regarded by the Register of Copyrights as bearing upon the preparation or identification of the work or the existence, ownership, or duration of the copyright.

§ 410. Registration of claim and issuance of certificate

(a) When, after examination, the Register of Copyrights determines that, in accordance with the provisions of this title [17 USCS §§ 101 et seq.], the material deposited constitutes copyrightable subject matter and that the other legal and formal requirements of this title [17 USCS §§ 101 et seq.] have been met, the Register shall register the claim and issue to the applicant a certificate of registration under the seal of the Copyright Office. The certificate shall contain the information given in the application, together with the number and effective date of the registration.

(b) In any case in which the Register of Copyrights determines that, in accordance with the provisions of this title [17 USCS §§ 101 et seq.], the material deposited does not constitute copyrightable subject matter or that the claim is invalid for any other reason, the Register shall refuse registration and shall notify the applicant in writing of the reasons for such refusal.

(c) In any judicial proceedings the certificate of a registration made before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate. The evidentiary weight to be accorded the certificate of a registration made thereafter shall be within the discretion of the court.

(d) The effective date of a copyright registration is the day on which an application, deposit, and fee, which are later determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration, have all been received in the Copyright Office.

§ 411. Registration as prerequisite to infringement suit

(a) Subject to the provisions of subsection (b), no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made in accordance with this title [17 USCS §§ 101 et seq.]. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the comlaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

(b) In the case of a work consisting of sounds, images, or both, the first fixation of which is made simultaneously with its transmission, the copyright owner may, either before or after such fixation takes place, institute an action for infringement under section 501 [17 USCS § 501], fully subject to the remedies provided by sections 502 through 506 and sections 509 and 510 [17 USCS §§ 502-506, 509, 510], if, in accordance with requirements that the Register of Copyrights shall prescribe by regulation, the copyright owner--

(1) serves notice upon the infringer, not less than ten or more than thirty days before such fixation, identifying the work and the specific time and source of its first transmission, and declaring an intention to secure copyright in the work; and
(2) makes registration for the work within three months after its first transmission.

§ 412. Registration as prerequisite to certain remedies for infringement

In any action under this title [17 USCS §§ 101 et seq.], other than an action instituted under section 411(b) [17 USCS § 411(b)], no award of statutory damages or of attorney's fees, as provided by sections 504 and 505 [17 USCS §§ 504 and 505], shall be made for--

(1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or

(2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.

Supreme Court, U.S.
FILED
DEC 8 1987
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CLERK

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No. 87-674

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1987

THE MIHALEK CORPORATION AND LAWRENCE PATRICK MIHALEK, Petitioners

v

THE STATE OF MICHIGAN, GOVERNOR JAMES J. BLANCHARD, THE DEPARTMENT OF COMMERCE OF THE STATE OF MICHIGAN, RALPH J. GERSON, Director, ROSS ROY, INC., Respondents

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REPLY BRIEF FOR THE PETITIONERS RULE 22.5

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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QUESTIONS PRESENTED

1. Are a State of the United States, its political subdivisions, their employees, officers and officials, when sued for money damages and injunctive relief for copyright infringement in violation of the Copyright Act of 1976, entitled to immunity under the Eleventh Amendment to the United States Constitution?

2. Are intellectual property rights considered a property under the Fifth Amendment taking clause of the United States Constitution?

3. What are the standards of the tests for copyright infringement, the taking of intellectual property under the Fifth Amendment and false designation of origin, section 43(a) of the Lanham Act (15 U.S.C. 1125(a)), involving a State of the United States, its political subdivisions, and their employees, officers and officials?

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REPLY BRIEF FOR THE PETITIONER

I.

SPECIAL AND IMPORTANT REASONS SUPREME COURT RULE 17

What is at stake in this Writ is not a dispute over facts unique to these parties as the Respondents contend, but as a matter of law, what is the law and how are the tests under the law applied to the facts in this case? How do the Fifth and Eleventh Amendments to the Constitution of the United States apply? This case has affected a 154 billion dollar industry and the rights of tens of thousands of copyright owners coast-to-coast, as evidenced by the participation of eleven amici curiae below in this cause (see Petitioners' Brief, p. 24).

A. THE RESPONDENTS' BRIEFS IN OPPOSITION HAVE RAISED ARGUMENTS, PURSUANT TO SUPREME COURT RULE 22.5, WHICH ARE SPECIAL AND IMPORTANT REASONS FOR GRANTING REVIEW, PURSUANT TO SUPREME COURT RULE 17.1(a)(c).

1. As a matter of law, does Congress have the power under Article 1, Section 8, Clause 8 by enacting the Copyright Act, 17 U.S.C., to abrogate a state's

sovereign immunity under the Eleventh Amendment to the Constitution of the United States? And did Congress exercise this power?

2. Was it the intent of this Court in Atascadero State Hospital, et al. v. Scanlon, 473 U.S. 234 (1985), to give states of the United States "A LICENSE TO STEAL INTELLECTUAL PROPERTY RIGHTS" under the color of the Eleventh Amendment, a reading of Atascadero which is being adopted in copyright cases by numerous courts below? (See Petitioners' Brief, pp. 21-22)

3. Does the language in the major opinions of Pennhurst State School and Hospital v. Halderman, 465 U.S. 89 (1984); Atascadero State Hospital, et al. v. Scanlon, 473 U.S. 235 (1985); and Welch v. Texas Dept. of Highway and Public Transportation, et al., 483 U.S. ____, 55 USLW 5046 (June 25, 1987) render Hans v. Louisiana, 134 U.S. 1 (1890) moot, when the specific language in the Eleventh Amendment extends only to Federal Diversity Jurisdiction?

4. As a matter of law, pursuant to Rule 56 FRCP, is the test of Petitioners' advertising program property involving intellectual property rights determined by "Substantial Similarity" or by "Deprivation For Public Use" under the Fifth Amendment "taking clause" of the Constitution of the United States?

5. As a matter of law, pursuant to Rule 56 FRCP, is the test to determine a triable issue of fact in a copyright infringement suit governed by a side-by-side comparison designed to show **dissimilarities** as advanced by Respondents and accepted by the Courts below or is the test based on showing similarities?

6. As a matter of law, pursuant to Rule 56 FRCP, does direct verbatim copying by Respondents of a validly copyrighted document, when wholesale access is admitted, establish a triable issue of fact for a jury to preclude the granting and affirming of a summary judgment in light of Anderson v. Liberty Lobby Inc., 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986) and Baxter v.

Williams, 812 F.2d 421 (9th Cir. 1987) cert. denied, ____ U.S. ____ (November 16, 1987)?

7. As a matter of law, do numerous affidavits, submitted pursuant to Rule 56(e) FRCP, which demonstrate questions of substantial similarity in the minds of average lay observers in a copyright infringement suit raise an issue of fact to preclude the granting and affirming of a summary judgment in light of Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946), cert. denied, 330 U.S. 851 (1947), Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977) and Baxter v. Williams, 812 F.2d 421 (9th Cir. 1987) cert. denied, ____ U.S. ____ (November 16, 1987)?

8. As a matter of law, pursuant to Rule 56 FRCP, can a Court of Appeals remand without reversing a summary judgment grant when a question of fact is present for further fact finding without first "REVERSING" the grant of summary judgment in light of First National Bank of Arizona v. Cities Service Co., 391

U.S. 253 (1968); Anderson v. Liberty Lobby Inc., 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986); Kennedy v. Silas Mason Co., 334 U.S. 249 (1948) and Arenas v. U.S., 322 U.S. 419 (1944)?

9. As a matter of law, pursuant to Rule 54(b) FRCP, does a final judgment by the District Court involving only the Eleventh Amendment to the Constitution require the Court of Appeals to reach the Constitutional question?

B. AS A MATTER OF LAW, THE RESPONDENTS' BRIEFS IN OPPOSITION HAVE FAILED TO STATE REASONS WHY THIS CAUSE SHOULD NOT BE REVIEWED BY THIS COURT, PURSUANT TO SUPREME COURT RULE 22.1.

The total sum of all the arguments advanced by Respondents in their briefs of opposition are based on a wrongful factual side-by-side comparison that was arranged and conducted by the District Court and affirmed by the Court of Appeals. This side-by-side comparison was a **sham**, designed by Respondents with the District Court's approval to purposely show **dissimilarities** and adopted by the Courts below.

The proper test, as a matter of law, for determining a question of fact in a copyright infringement suit, pursuant to Rule 56 FRCP, is based on a side-by-side comparison showing **similarities** of expression, not dissimilarities. See Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp., supra, the leading case, and Baxter v. Williams, supra.

The **Respondents' dissimilarities test** was applied as follows. On February 11, 1985, the Respondents filed a motion for summary judgment involving Petitioners' copyright claims. (See Sixth Circuit Appendix, pages 172-186). The Respondents proffered Exhibits A and B in support of their motion. Exhibit A comprised certified copies of Petitioners' works, copyright registration numbers, TXu 139-832, TXu 139-833, PAu 557-097 and VAu 53-133. Exhibit A was supplied to Respondents by the Library of Congress.

Exhibit B was carefully selected by Respondents to confuse and show dissimilarities. The composition of Respondents' Exhibit B changed from time to time and

included, among other things, numerous irrelevant works which were developed in the 1960's and 1970's and video tapes involving other cities, states and countries. (See Sixth Circuit Appendix, pp. 1268-1334)

Rather than test the similarities of Respondents' infringing Say Yes to Michigan and Yes Michigan campaigns, as alleged in the verified complaint, the District Court ordered Petitioners to select a limited number of items only from Exhibit B already **preselected** by Respondents.

This incorrect method of attempting to ascertain whether or not substantial similarities exist between Petitioner's works and the Respondents' campaigns was vehemently opposed by Petitioner (see record of appeals number 85-1593/1986). Nevertheless, the end result was that the "DISTRICT COURT ORDERED" Petitioner to match "RESPONDENTS' EXHIBIT B" (see Order, dated March 26, 1985, pp. 49a and 50a of Petitioners' Petition), rather than to show substantial similarities between the

Petitioners' program and the Respondents' campaigns. This incorrect and incredible Order states in part:

> . . .Attorneys for plaintiffs shall have the responsibility of designating those items that compose Exhibit B to the motion, selected products of defendants' promotional campaign, that allegedly infringe particular copyrighted materials of plaintiffs. . .. (Emphasis added.)

There was no motion or hearing on the above described procedures utilized by the District Court and described in the above Order. In addition, the District Judge was on a two-month vacation at the time.

The Respondents continue to advance their Exhibit B and their **side-by-side dissimilarity comparison** in this Court in hopes of inducing this Court to affirm erroneous standards. An example is exhibited on page 8 of Respondents' State of Michigan Brief:

> . . .Examples of the State's history of advertising were shown to both the Court of Appeals and the District Court as part of the exhibits they examined.. . .

and on page 33

> . . .Mihalek's burden was to show substantial similarity of both ideas and expressions. Berkic, 761 F.2d at 1291. The District Court

> correctly identified this burden and conducted a side-by-side examination. Mihalek, 630 F. Supp. at 14. It determined which elements were protected by copyright and concluded that only similarity existed with things not copyrightable. Mihalek, 630 F. Supp. at 15, 16. The District Court then found no substantial similarity under both tests. Mihalek, 630 F. Supp. at 15. The Court of Appeals agreed. Mihalek, 814 F.2d at 294-5. . .. (Emphasis added.)

As a result, the District Court even ignored the Petitioner's documents directly copied by Respondents (supra) because these documents among many others showing substantial similarity, while entered into evidence by Petitioners, were not part of Exhibit B proferred by Respondents. (See District Court's Oral Opinion, Sixth Circuit Appendix pp. 534-591.)

This Court should also be aware that Respondents did not supply to the Court of Appeals the original Exhibits A and B as supplied to the District Court; instead they supplied copies entitled "Selected Samples"!

II

COUNTER-STATEMENT OF THE CASE

Respondents' statements of the case are based on

adhominem principles and on the recharacterization and mischaracterization of the facts in this case. A few examples are necessary for this Court to understand, not only as a matter of law but also as a matter of fact, that there is an injustice here.

Indeed, Respondents continue to raise incomplete issues of fact. For example, Respondents exhibit the affidavit of former Governor William G. Milliken, explaining Governor Milliken's lack of involvement with Petitioner Mihalek (see Respondents' Appendix 9b). However, Mihalek's affidavits (see Petitioners' Appendix 77a) exhibit a personal letter to Mihalek from Governor Milliken, instructing Mihalek to work with Milliken's people and states, ". . .It is important, therefore, that you keep them fully informed of your efforts. . .". Governor Milliken signed this letter in his own hand. A factual issue to say the least.

Respondents also exhibit the affidavit of John H. Porter (see Respondents' Appendix 11b) which is disputed by affidavit of Mihalek (see Petitioners' Appendix 59a).

In addition, from the Respondents' own certified records the same State Officials, two of whom are Norton Berman, Director, Michigan Department of Commerce, and Jack Wilson, Director, Michigan Travel Bureau, who had access to both Mihalek's property and John H. Porter, were caught with photocopies of Mihalek's 42-page unpublished copyrighted advertising proposal plan with proper notice of copyright, copyright registration number TXu 139-833, in their files. (See Sixth Circuit Appendix page 280-281.) These unauthorized copies were marked "THIS DOCUMENT PAID FOR WITH STATE FUNDS". No payment was ever made to Mihalek. Further, Mihalek's property was **transferred** and **transmitted** to John H. Porter and his company employees by State Official Jack Wilson (see Petitioners' Appendix 79a). This action enabled Porter, who had signed a **14-month** contract to develop an advertising program, to develop the program in just **13 days** culminating in the Say Yes to Michigan Campaign. (See Sixth Circuit Appendix pages 316-328.) The Court of Appeals states at Mihalek 814 F2d at 294-7

that no evidence or copying or wrongful appropriation was presented.

Access in this case was "GRAND CENTRAL STATION STYLE". Thirteen top State Officials worked with Mihalek over a period of 14 months on almost a daily basis. They also drove 80 miles to review Mihalek's property in the basement of Mihalek's home. Not once, not twice or even three times, but six times, up to just twelve days before Respondents launched their advertising campaign (see Petitioners' Appendix 59a-83a). These same State Officials worked with John H. Porter and his employees. Why would a herd of State Officials, over a 14-month period, want access, and the Governor of a State instruct Mihalek to keep everybody informed? Because Mihalek's advertising property had tremendous value and still is ingenious. They all liked Mihalek's property (see generally Sixth Circuit Appendix, pp. 939-1101), but they didn't think he could do it. So Respondents, in a nut shell, simply took it and used it, period! (See Sixth Circuit Appendix,

pp. 24-171, 757-938, 1102-1194).

The importance of Mihalek's property to Respondents is obvious, yet Respondents now, after they have derived the benefits from Mihalek's genius, describe Mihalek's advertising property as "crude and unimaginative". This outrageous statement by Respondents flies in the face of the facts in this case. (See Copyright Registration Numbers TXu 139-832, TXu 139-833, PAu 557-097 and VAu 53-133) and (see Petitioners' Appendix 70a, 71a.)

In any event, this case has never been fully adjudicated in accordance with the authorities of this Court, well-established intellectual property law, controlling statutes and Mihalek's exhibits, all of which have been ignored by the Courts below.

Instead, this case has been decided on adhominem conclusions that fly in the face of "certified" facts by the Courts below and by the hollow words of Respondents, their ability to influence via "credibility" and by erroneous side-by-side comparison, designed by

Respondents, to show dissimilarities. (See Respondents' Brief, pp. 7-8.)

III

CONFLICTS WITH LEGAL STANDARDS SUPREME COURT RULE 17.1(a), (c)

A. ELEVENTH AMENDMENT.

Lower court judgments in Mihalek are contrary to Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979); Goldstein v. California, 412 U.S. 546 (1973); Harper & Row v. Nation Enterprises, 471 U.S. 539 (1985); Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964). McCulloch v. Maryland, 17 U.S. (4 Wheat) 316 (1819).

B. FIFTH AMENDMENT.

Lower court judgments in Mihalek are contrary to Perry v. Sindermann, 408 U.S. 593 (1972) and Internation News Service v. Associated Press, 148 U.S. 215 (1918).

C. RULE 56 FEDERAL RULES OF CIVIL PROCEDURE. DECISIONS IN MIHALEK ARE CONTRARY TO:

Lower court judgments in Mihalek are contrary to

Anderson v. Liberty Lobby, Inc., 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986); Adickes v. S.H. Kress & Co., 398 U.S. 144 (1970); First National Bank of Arizona v. Cities Service Co., 391 U.S. 253 (1968); Simler v. Conner, 372 U.S. 221 (1963); Poller v. Columbia Broadcasting System, Inc., 368 U.S. 464 (1962); Kennedy v. Silas Mason Co., 334 U.S. 249 (1948); and Arenas v. U.S., 332 U.S. 419 (1944).

1. **COPYRIGHT TEST.**

Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946), cert. denied, 330 U.S. 851 (1947), "slightest doubt test"; Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977), "two-step test"; Baxter v. Williams, 812 F.2d 421 (9th Cir. 1987), cert. denied, ____ U.S. ____ (November 16, 1987), "no bright line rule".

a. **ACCESS.**

Sid & Marty Krofft, supra, "INVERSE RATIO RULE" (Sixth Circuit Appendix,

pp. 274-275, 278).

b. **COPYRIGHT SUBJECT MATTER.**

Alexander v. Haley, 460 F. Supp. 40 (SD NY, 1978) in contrary to Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903) (Sixth Circuit Appendix, pp. 296-307).

c. **DIRECT COPYING.**

Reyher v. Children's Television Workshop, 533 F.2d 87 (2d Cir.), cert. denied, 429 U.S. 980 (1976).

2. **TRADEMARK.**

a. **SIDE-BY-SIDE COMPARISON IS NOT THE TEST.**

Jordache Enterprises, Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482 (10th Cir. 1987); Levi Strauss & Co. v. Blue Bell, Inc., 632 F.2d 817 (9th Cir. 1980); American Home Products Corp. v. Johnson Chemical Co., 589 F.2d 103 (2d Cir. 1978); James Burrough, Ltd. v. Sign of Beefeater, Inc.,

540 F.2d 266 (7th Cir. 1976).

3. FIFTH AMENDMENT.

a. FACT QUESTION.

John W. Shaw Advertising, Inc. v. Ford Motor Company, 112 F. Supp. 121 (D. Ill. 1953).

IV

THE COURT OF APPEALS HAS SO FAR DEPARTED FROM THE ACCEPTED AND USUAL COURSE OF JUDICIAL RULEMAKING IN DECIDING IMPORTANT QUESTIONS OF FEDERAL LAW IN THIS CASE, AN EXERCISE OF THIS COURT'S POWER OF SUPERVISION, PURSUANT TO RULE 17, IS REQUIRED

A. A GENUINE ISSUE AS TO A MATERIAL QUESTION OF FACT IS PRESENT, THEREBY MAKING SUMMARY JUDGMENT IMPOSSIBLE IN THIS CASE INVOLVING MIHALEK'S CLAIMS.

In accordance with established law, the Court of Appeals cannot "REMAND" a question of fact on a summary judgment decision, without first "REVERSING" the grant of summary judgment nor can it advance new theories on how the District Court should dispose of a case, pursuant to Rule 56 FRCP. See Kennedy v. Silas Mason Co., 334 U.S. 249 (1948) and Arenas v. U.S., 332

U.S. 419 (1944), as cited by Wright-Miller-Kane, Federal Practice and Procedure, Summary Judgment in General, Section 2716, pp. 650-656.

In this case the Court of Appeals decision, remanding without reversing (Petitioners' Appendix 19a-21a), flies in the face of Anderson v. Liberty Lobby, Inc., 106 S. Ct. 2505 (1986) and Baxter v. Williams, 812 F.2d 421, 424 (9th Cir. 1987) cert. den., ____ U.S. ____, November 16, 1987, which state:

> ". . .Summary judgment cannot be granted if there exists a genuine dispute as to a material fact. Fed. R. Civ. P. 56(c). Rule 56 calls for the judge to determine whether there exists a genuine issue for trial, not to weigh the evidence himself and determine the truth of the matter. See Anderson v. Liberty Lobby, Inc., ____ U.S. ____, 106 S. Ct. 2505, 2516, 91 L.Ed.2d 202 (1986). The nonmoving party must present evidence sufficient to require a jury or judge to resolve the parties' differing versions of the truth at trial. First National Bank of Arizona v. Cities Service Co., 391 U.S. 253, 288-289. 88 S. Ct. 1575, 1592, 20 L.Ed.2d 569 (1968). Inferences to be drawn from facts contained in the moving party's papers are to be viewed by the district court in the light most favorable to non-moving party. See Adickes v. S.H. Kress & Co., 398 U.S. 144, 90 S.Ct. 1598, 26 L.Ed.2d 142 (1970). Weighing evidence, determining credibility,

> and drawing inferences from facts remain jury functions which may not be undertaken by the trial judge. See Anderson, 106 S.Ct. at 2513. . ..

The Court of Appeals in Mihalek at 821 F2d 327 has established, as a matter of law, that an issue of material fact exists, stating in the Order of June 8, 1987:

> We therefore REMAND the question of alleged photocopying by state officials and whether, if it occurred, this constituted a violation of plaintiffs' claimed rights in any respect in light of the record made by the parties.

The summary judgments in this case must be reversed.

B. THE ELEVENTH AMENDMENT ISSUE MUST BE REACHED.

As already stated in Petitioners' Brief, pp. 26-30, the Eleventh Amendment issue was granted final judgment, as a matter or law, pursuant to Rule 54(b) FRCP, by the District Court and was appealed. The Court of Appeals ignored the 54(b) judgment and failed to reach the liability question even in light of a question of fact. This Court must correct these inequities.

CONCLUSION

The Petition for a Writ of Certiorari should be granted for briefing and oral argument or, in the alternative, a Writ of Mandamus to the Sixth Circuit should issue ordering decision on the Eleventh Amendment. And by Summary Action reverse and remand back to the District Court for trial not inconsistent with Anderson v. Liberty Lobby, Inc., supra, Baxter, supra, Krofft, supra, and Perry v. Sindermann, supra, the summary judgment dispositions raised in the Second and Third Questions presented in the Mihalek Petition.

December 6, 1987

Respectfully submitted,

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